

CITY OF RIO RANCHO, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the fiscal year ended
June 30, 2009**



CITY OF RIO RANCHO, NEW MEXICO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Issued by:
Department of Financial Services

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CITY OF RIO RANCHO, NEW MEXICO

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INTRODUCTORY SECTION

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City of Vision

Department of Financial Services

November 16, 2009

Honorable Mayor, Members of the City Council
And Citizens of the City of Rio Rancho

The Audit Act, NMSA 1978, Section 12-6-12, mandates that cities are required to undergo an annual single audit and produce a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of New Mexico. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Rio Rancho for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organization chart and a list of City officials and administrative staff. The financial section includes the financial statements and the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The schedule of expenditures of Federal awards required by the Single Audit Act is included in the single audit section along with the auditors' report on the internal control and compliance with applicable laws and regulations.

Meyners + Company, LLC a certified public accounting firm, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering

an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Rio Rancho is the third largest city in New Mexico with an estimated population of 79,655. Located in central New Mexico, northwest and adjacent to Albuquerque, New Mexico's principal city. The metropolitan area is serviced by east-west Interstate I-40 and north-south Interstate I-25. The Santa Fe railroad has a major rail line through Albuquerque. The Rail Runner rail commuter service between the near by community of Bernalillo, Albuquerque and Los Lunas and Santa Fe. There are two general aviation facilities, including the Albuquerque International Airport that has eight major airlines and two regional airlines providing service to the metropolitan area.

The City was incorporated in 1981 and adopted a municipal charter as a home rule city in 1991. The City has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The City Manager is the Chief Administrative Officer, appointed by the Mayor subject to approval of the Governing Body. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria no other governmental organizations are included in this report.

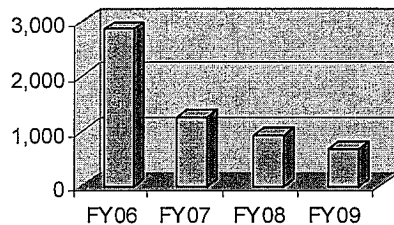
The City provides to its citizens those services that have proven to be necessary and meaningful and which the City at the least cost can provide. Major services provided under the general government and enterprise functions are: police and fire protection, emergency ambulance service, water and wastewater services, park and recreational facilities, libraries, senior services, street improvements and general administrative services.

FACTORS AFFECTING FINANCIAL CONDITION

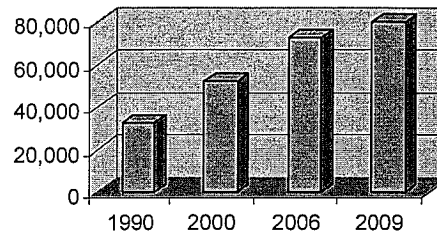
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City of Rio Rancho is the fastest growing city in the State of New Mexico. The City's population increased 53.8 percent from 51,765 to 79,655 since 2000. Building permits issued for single-family homes declined 26.3 percent to 917 in fiscal year 2008. Fiscal year 2009 building permits issued declined further by 27.9 percent to 661. The decline in the number of permits has followed the national trend in single-family construction, but not to the extent of other areas of the southwest. The City experienced a low in building permits in November 2008 followed by steady growth through the end of fiscal year 2009. The trend has continued and it is expected that single-family construction activity to improve to 700 to 800 permits in fiscal year 2010.

SINGLE FAMILY HOME STARTS



CHANGE IN POPULATION



The City of Rio Rancho is heavily dependant on gross receipts tax as its major revenue source that contributes nearly 56.5 percent its total revenues. Single family home construction activity historically provided nearly 33.1 percent of the total gross receipts tax revenue, while retail trade contributes just 33.2 percent toward the City's gross receipts tax revenue.

The City of Rio Rancho however ranks tenth in per capita retail trade gross receipts tax. Due to the City's close proximity to a large mall complex located within the City of Albuquerque, retailers have been slow to establish within the City.

Property tax revenue grew 78.3 percent from fiscal year 2005 through fiscal year 2009 driven by the boom in single-family construction during fiscal years 2004 through 2007. Although single-family home construction has slowed significantly, property tax revenue will grow more than 6.0 percent in fiscal year 2010.

The City of Rio Rancho expects to experience significant growth in retail and commercial projects that are either in planning stages or under construction in the next fiscal year.

In 2006 and 2007 the City of Rio Rancho established a Central Business District anchored by a 6,500 seat Santa Ana Star Multi-Purpose Event Center and construction of a new City Hall.

In the Central Business District area several major projects under construction or about to begin construction in fiscal year 2010 including:

- Central New Mexico Community College first campus building is under construction with plans to open in July 2010 with an enrollment of approximately 1,000 students. The new campus occupies 40 acres.
- The University of New Mexico's building is nearing completion with plans to open to students in January 2010. This is the first building of a planned 12,000 student campus.
- The University of New Mexico issued architectural and land planning contracts for the new 75 bed Sandoval County Regional Medical Center located near City Hall. Construction of Medical Center is expected begin in December 2009 and cost \$120,000,000. Opening is projected to be in late 2011.

- Rio Rancho Public School District's new V. Sue Cleveland high school opened for the fall semester in August 2009.
- The 220,000 sq. ft. Hewlett Packard customer service center is nearing completion and plans to open in December 2009 with 500 to 600 employees. Once fully staffed, Hewlett Packard will employ 1,350 employees. The building has the capacity to hold up to 1,800 employees.

Presbyterian Health Care sold bonds to finance the construction of 65-bed medical center and corresponding office complex at Unser and Westside Boulevards on the south side of the City. Construction will begin in November 2009.

Adjacent to the hospital developers have begun planning for the Village at Rio Rancho, a 400, 000 sq. ft. retail complex.

At the north end of the City the intersection of NM 528 and US 550 has considerable activity as well, including a new Cable One office, a planned Social Security Administration office, Defined Fitness Health Club, and Presbyterian Family practice building.

The City of Rio Rancho established a general obligation bond cycle in 2001. The general obligation bond debt service is structured to allow the City to go to the voters every two years for approval for new funding of projects without increasing property taxes.

On March 10, 2009 the voters approved a \$25,000,000 bond to fund road projects. The road projects include rehabilitation, reconstruction, and preventive maintenance on forty (40) streets and roads.

Construction has begun on the Paseo del Volcan road project that will provide improved access to the Central Business District that encompasses the City Hall, Santa Ana Star Events Center, University of New Mexico, Community College of New Mexico, Hewlett Packard, and V.Sue Cleveland High School. The \$18 million dollar project is primarily funded by an American Recovery and Reinvestment Act grant.

Long-term financial planning.

The Development Services Department and the Public Infrastructure continues to develop a land use plan covering 21 square miles surrounding the Central Business District.

Located in an arid region, water availability is of utmost importance to the City. The City's Water and Wastewater Utility has acquired funding to provide reuse water to the City's sports park from its new wastewater treatment plant.

The City has developed an in-depth strategic plan. A professional firm guided the Governing Body and staff, an ICMA survey was used to gather information on the City's strengths and weaknesses, and meetings were held with citizens to gather their views on the proposed strategic plan. A process has been implemented to accomplish the strategic plan that includes progress reports to the Governing Body.

Accounting System and Budgetary Control. Written financial policies were instituted in fiscal year 2006 as a basic framework for the financial management of the City of Rio Rancho. These policies are intended to assist members of the City of Rio Rancho Governing Body and City staff in evaluating current activities and proposals for future programs. These policies are to be reviewed on an annual basis in conjunction with annual budget. During the fiscal year 2009 budget process fee policy was developed for Parks and Recreation Department.

The City's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the Governing Body shall adopt the annual budget prepared by the City Manager. The budget is reviewed by the Governing Body and is formally adopted by the passage of a budget resolution. The City Manager is authorized to transfer budgeted amounts between line items within divisions of any fund; however the Governing Body must approve any revisions that alter the total expenditures of any fund.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to City departments and divisional management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

Cash Management. The City awards its depository contract through official bidding procedures for a three-year period with an option to extend the contract for an additional seven years. The current depository contract with Wells Fargo Bank, N.A. expires April 2010.

The City has a services-only contract, where a minimum amount of cash is held in a checking and savings account to meet the City's daily operational needs.

It is the City's policy that all demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 102% of the deposits less an amount insured by the FDIC. Evidence of the pledged collateral is maintained by the Financial Services Department and a third party financial institution. Collateral is reviewed at least monthly to assure the market value of the securities pledged equals or exceeds the related bank balances. All collateral is subject to inspection and audit by the Director of Financial Services.

The remaining idle cash is invested by the Director of Financial Services in securities as allowed by New Mexico Statutes and by the City's Investment Ordinance. The City's Investment Ordinance sets forth the requirements for the investment of funds in a manner that maximizes safety of principal while ensuring that funds are available to meet the operating needs of the City and to meet

unanticipated cash demands while earning the highest possible returns.

All investments transacted by the City are purchased using the delivery versus payment method. That is, funds are not wired or paid until verification has been made that the correct security has been received by the Custodian. The security is held in the name of the City or on behalf of the City. The Custodian's records must assure the notation of the City's ownership or explicit claim on the securities. The original safekeeping statements are delivered to the City.

Risk Management. The City is charged with the responsibility of supervising the protection of the City's assets by employing various risk management techniques and procedures to reduce, absorb, minimize or transfer risk. The City carries insurance for general liability, law enforcement liability, civil rights, volunteers, and property with the New Mexico Self-Insurers Fund. The relationship with the Fund is established by a joint powers agreement with the New Mexico Municipal League.

Beginning with fiscal year 2009, the City began self-insuring its workers compensation insurance and using the New Mexico Self-insurers Fund to handle claims and reinsurance. The Fund also provides safety training for all City employees as part of the fees paid to the Fund. The City requires all employees to attend a minimum hours of training based on specific job classifications.

Employee Health Care and Pension Plans. The City makes available group health and dental insurance coverage and a cafeteria plan, also offered are life and disability insurance to its employees on a voluntary basis. The Employees have a choice of a point-of-service plan or an HMO.

Substantially all full-time employees of the City participate in a public employee retirement system authorized under the Public Employees' Retirement Act (Chapter 10, Article II NMSA 1978). The defined benefit plan provides for retirement, disability benefits, and survivor benefits to plan members and beneficiaries.

The City agreed to become a member of the New Mexico Retiree Health Care Authority on July 1, 2007 to provide retirement health care for employees.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Rio Rancho for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This is fourth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada presented an Award for Distinguished Budget Presentation to the City of Rio Rancho for its Annual Operating Budget for Fiscal Year ending June 30, 2008.

In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire Financial Services Department. We express our sincere appreciation to Marta Ortiz and Accounting Staff for the contributions made in the preparation of this report.

Respectfully submitted,

James C. Jimenez
City Manager

Richard C. Kristof
Director of Financial Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rio Rancho
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

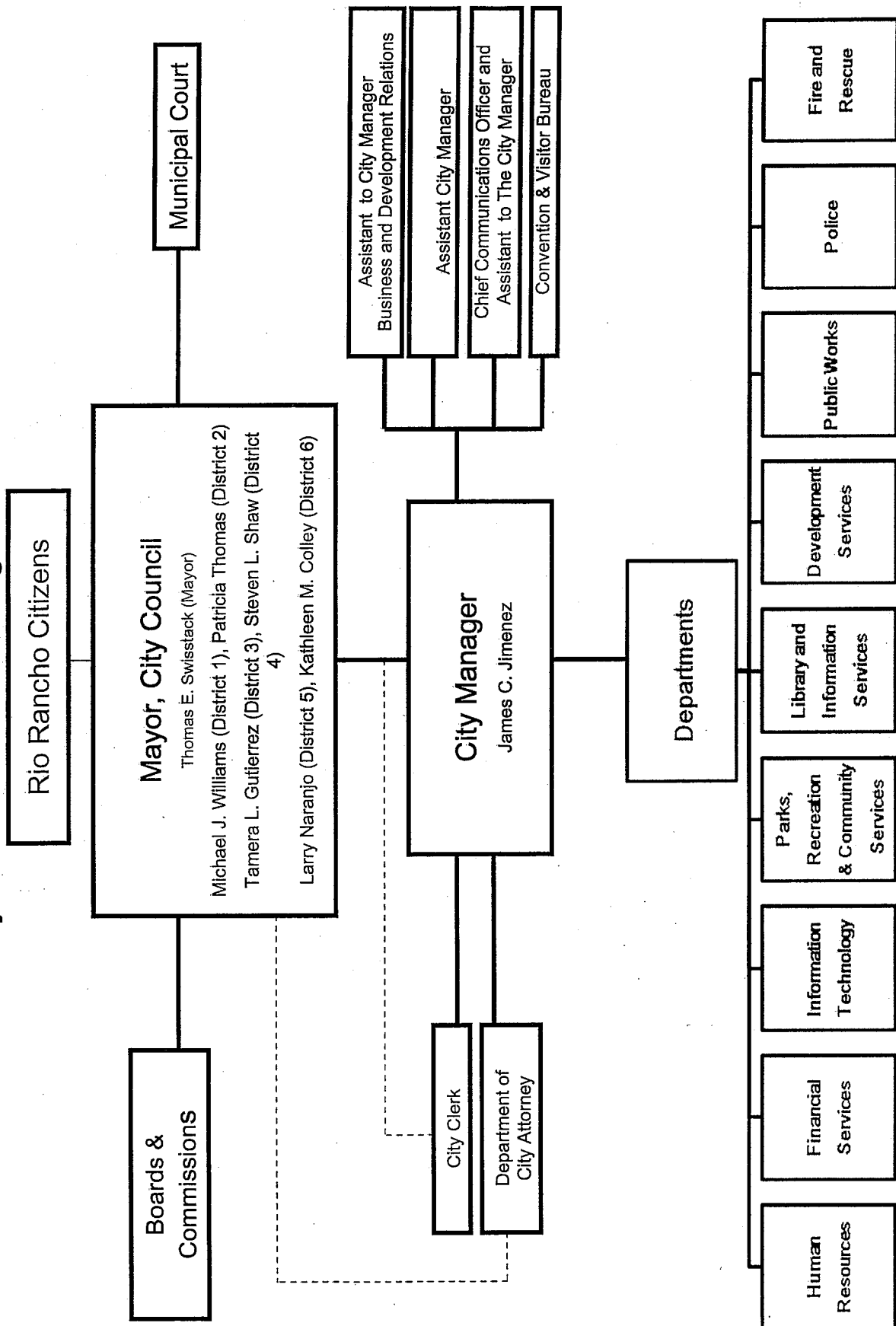
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Rio Rancho Organizational Structure



CITY OF RIO RANCHO, NEW MEXICO

OFFICIAL ROSTER

MAYOR AND CITY COUNCIL

Thomas E. Swisstack, Mayor

Michael J. Williams, Councilor, District 1

Patricia A. Thomas, Councilor, District 2

Tamera L. Gutierrez, Councilor, District 3

Steven L. Shaw, Councilor, District 4

Larry E. Naranjo, Councilor, District 5

Kathleen M. Colley, Councilor, District 6

ADMINISTRATIVE OFFICIALS

James C. Jimenez, City Manager

Roman Montoya, City Clerk

Richard C. Kristof, Director of Financial Services

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rio Rancho, New Mexico (the City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental funds and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ending June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position

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Honorable Mayor, Members of the City Council
and Citizens of the City of Rio Rancho

of each non-major governmental fund and fiduciary fund of the City, as of June 30, 2009, and the respective changes in financial position thereof, and the budget comparisons for the non-major governmental, the major enterprise funds and the Bond Construction 2009 Roads major capital project fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 21 through 36 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. In addition, the accompanying supplemental information, such as the Introductory Section, Statistical Section, and the additional schedules listed as Other Supplemental Information in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and other supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Honorable Mayor, Members of the City Council
and Citizens of the City of Rio Rancho

Mejers + Company, LLC

November 16, 2009

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009

As management of the City of Rio Rancho (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009.

FINANCIAL HIGHLIGHTS

The financial statements, which follow the Management's Discussion and Analysis, provide those significant key financial highlights for 2009 as follows:

- In the Statement of Net Assets the City's total net assets of governmental activities increased \$3.8 million to \$232.0 million and business-type activities increased \$28.4 million to \$138.8 million representing 62.6 percent and 37.4 percent respectively, of the total net assets of \$370.8 million.
- In the Statement of Activities the total governmental activities revenues amounted to \$73.0 million, of which general revenues from governmental activities accounted for \$47.8 million in revenue, or 65.5 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25.2 million or 34.5 percent of total governmental activities revenues.
- In the Statement of Activities the total business-type activities revenues amounted to \$39.8 million, of which general revenues from business-type activities accounted for \$1.7 million or 4.3 percent of all revenues from business-type activities. Program specific revenues in the form of charges for services and capital contributions accounted for \$38.1 million or 95.7 percent of business-type activities.
- In the Statement of Activities the City had \$69.2 million in expenses related to governmental activities, of which \$25.2 million of these expenditures were offset by program specific charges for services or grants and contributions. General revenues of \$47.8 million were adequate to provide for the remaining costs of these programs. The City had \$26.2 million in expenses related to business-type activities. These expenses were offset by program specific revenues in the form of charges for services and capital grants and contributions of \$38.1 million.
- The General Fund had \$46.3 million in revenues, which primarily consisted of taxes and charges for services. The total expenditures of the General Fund were \$50.8 million. The General Fund's fund balance decreased from \$13.8 million to \$9.6 million, a decrease of 30.4 percent.
- Net assets of the Enterprise Funds increased \$28.4 million. Operating revenues of \$28.1 million exceeded operating expenses of \$19.9 million. Non-operating expenses of \$8.6 million exceeded non-operating revenues of \$13.5 million.
- The City issued \$13.2 million in water and wastewater revenue bonds to provide funds for the cost of water rights and funding water and wastewater system improvement projects.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

FINANCIAL HIGHLIGHTS (Concl'd)

- The City issued \$25.0 million of general obligation bonds for constructing and rehabilitating various roads throughout the City.
- The City issued \$58.0 million of water and wastewater revenue bonds to refund the City's water and wastewater refunding bonds, series 1999 which were called on May 15, 2009. The refunding released the required reserve requirements, purchased bond issuance, and to pay certain costs of issuance.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements, the City's activities are presented in the following categories.

- ***Governmental activities*** – Governmental activities include most of the City's basic services such as general government, public safety, public works, culture and recreation, and economic development. Gross receipt taxes, municipal and State shared taxes, intergovernmental revenues and charges for services finance most of these activities.
- ***Business type activities*** – Business-type activities include water, wastewater, and event center activities provided by the City. These services are financed through user fees and charges.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliation's are on pages 47 and 51, respectively.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary funds. The City maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water and wastewater utility services, and the event center activities. The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides additional information for the Utilities Fund and the Multi-Purpose Event Center Fund, which are considered to be major funds of the City.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Under New Mexico Administrative Code Section 2.2.2 governments in New Mexico must include the budgetary comparison statement for the General Fund as a component of the fund financial statements within the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$370.8 million as of June 30, 2009.

A major portion of the City's net assets (85.0 percent) reflects its investment in capital assets (e.g., land and improvements, infrastructure, buildings and improvements, improvements other than buildings, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City's net assets (3.6 percent) is restricted for the specified purposes of debt service repayment and capital outlay investment.

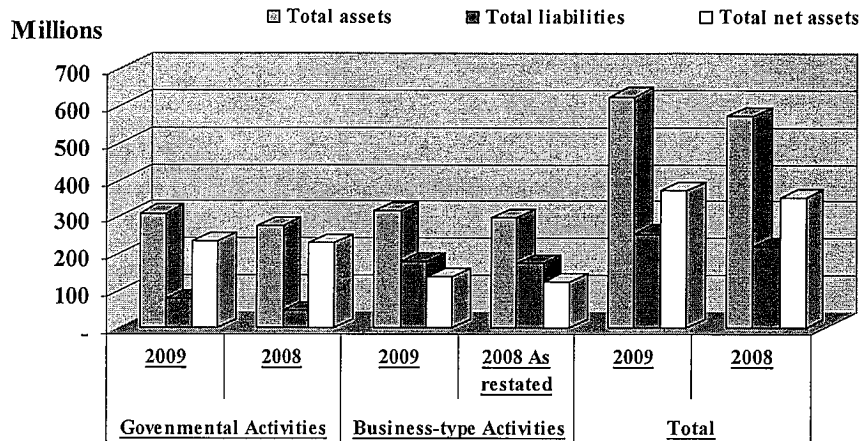
The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the City's net assets for the fiscal years ended June 30, 2009 and June 30, 2008.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 65,585,688	\$ 40,363,005	\$ 60,425,900	\$ 78,761,778	\$ 126,011,588	\$ 119,124,783
Capital assets, net	<u>243,057,880</u>	<u>233,544,108</u>	<u>255,729,498</u>	<u>218,690,597</u>	<u>498,787,378</u>	<u>452,234,705</u>
Total assets, net	308,643,568	273,907,113	316,155,398	297,452,375	624,798,966	571,359,488
Current liabilities	12,922,166	11,931,845	12,537,903	14,059,964	25,460,069	25,991,809
Long-term obligations						
outstanding	<u>63,680,741</u>	<u>33,742,037</u>	<u>164,838,643</u>	<u>158,278,230</u>	<u>228,519,384</u>	<u>192,020,267</u>
Total liabilities	76,602,907	45,673,882	177,376,546	172,338,194	253,979,453	218,012,076
Net assets:						
Invested in capital assets,						
net of related debt	206,205,225	197,267,351	108,895,574	87,180,205	315,100,799	284,447,556
Restricted	8,006,271	8,797,171	8,813,942	11,284,077	16,820,213	20,081,248
Unrestricted	<u>17,829,165</u>	<u>22,168,709</u>	<u>21,069,336</u>	<u>26,649,899</u>	<u>38,898,501</u>	<u>48,818,608</u>
Total net assets	<u>\$ 232,040,661</u>	<u>\$ 228,233,231</u>	<u>\$ 138,778,852</u>	<u>\$ 125,114,181</u>	<u>\$ 370,819,513</u>	<u>\$ 353,347,412</u>

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



The following are significant current year transactions that have had an impact on the Statement of Net Assets.

- The City issued \$25.0 million of general obligation bonds for constructing and rehabilitating various roads throughout the City.
- The City issued \$5.2 million loan proceeds for the purpose of completing various water & wastewater and roads within the City Center area.
- The City issued \$4.7 million in loan proceeds for the purpose of the completion of the extension of Paseo Del Volcan and the completion of the infrastructure pertaining to the new Rio Rancho High School.
- The City issued \$13.2 million of water and wastewater revenue bonds to provide funds for the cost of water rights and funding water and wastewater system improvement projects.
- The City issued \$58.0 million of water and wastewater revenue bonds to refund the City's water and wastewater refunding bonds, series 1999 which were called on May 15, 2009. The refunding released the required reserve requirements, purchased bond issuance, and to pay certain costs of issuance.
- The City received \$15.2 million in contributed capital for two wastewater treatment plants and was constructed by developers which includes the restatement of approximately \$14.6 million.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net assets. The City's total revenues for the fiscal year ended June 30, 2009, were \$112.8 million with an increase in net assets of \$17.4 million, thereby accounting for 8.8 percent increase in the net assets of the City. The following table presents a summary of the changes in net assets for fiscal years ended June 30, 2009 and June 30, 2008.

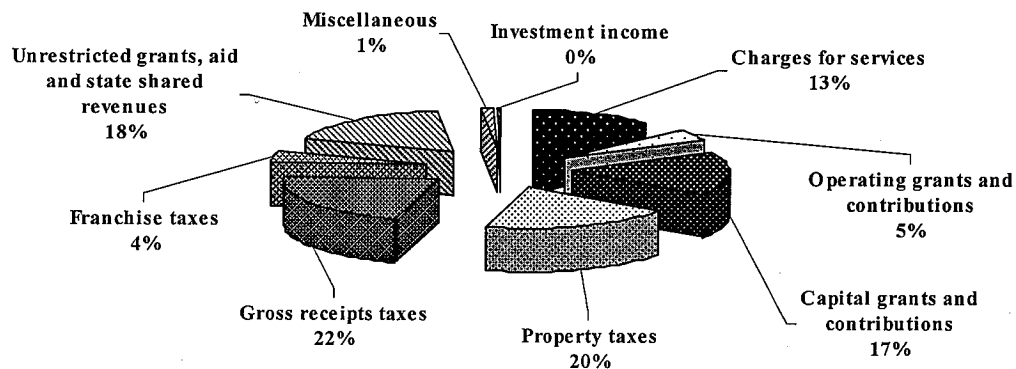
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$9,240,291	\$8,896,498	\$28,145,488	\$29,536,442	\$37,385,779	\$38,432,940
Operating grants and contributions	3,308,384	3,660,574		1,650,000	3,308,384	5,310,574
Capital grants and contributions	12,616,188	15,336,888	9,952,147	13,320,728	22,568,335	28,657,616
General revenues:						
Property taxes	14,484,127	12,857,673			14,484,127	12,857,673
Gross receipts taxes	15,720,986	18,148,103			15,720,986	18,148,103
Franchise taxes	2,988,269	2,898,700			2,988,269	2,898,700
Unrestricted grants, aid and state shared revenues	13,425,817	14,268,918			13,425,817	14,268,918
Miscellaneous	903,402	2,010,150	531,454	47,603	1,434,856	2,057,753
Investment income	284,896	1,167,530	1,191,571	2,711,197	1,476,467	3,878,727
Total revenues	<u>\$72,972,360</u>	<u>\$79,245,034</u>	<u>\$39,820,660</u>	<u>\$47,265,970</u>	<u>\$112,793,020</u>	<u>\$126,511,004</u>
Expenses:						
General government	8,726,702	10,106,998			8,726,702	10,106,998
Public safety	28,644,454	30,453,273			28,644,454	30,453,273
Public works	16,119,562	18,078,174			16,119,562	18,078,174
Culture and recreation	10,277,960	9,478,686			10,277,960	9,478,686
Economic development	3,477,853	3,507,872			3,477,853	3,507,872
Interest on long-term debt	1,918,399	1,583,622			1,918,399	1,583,622
Water			11,894,252	12,326,747	11,894,252	12,326,747
Wastewater			12,831,006	11,406,457	12,831,006	11,406,457
Event center	-	-	1,430,731	2,116,636	1,430,731	2,116,636
Total expenses	<u>69,164,930</u>	<u>73,208,625</u>	<u>26,155,989</u>	<u>25,849,840</u>	<u>95,320,919</u>	<u>99,058,465</u>
Increase in net assets	<u>\$3,807,430</u>	<u>\$6,036,409</u>	<u>\$13,664,671</u>	<u>\$21,416,130</u>	<u>\$17,472,101</u>	<u>\$27,452,539</u>

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

	<u>Year Ended June 30, 2009</u>		<u>Year Ended June 30, 2008</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>
Governmental activities:				
General government	\$8,726,702	\$(6,685,066)	\$10,106,864	\$(6,696,458)
Public safety	28,644,454	(21,100,011)	30,455,750	(22,902,098)
Public works	16,119,562	(3,740,899)	18,078,308	(7,548,085)
Culture and recreation	10,277,960	(7,609,643)	9,476,209	(3,590,347)
Economic development	3,477,853	(2,946,049)	3,507,872	(2,994,055)
Interest on long-term debt	<u>1,918,399</u>	<u>(1,918,399)</u>	<u>1,583,622</u>	<u>(1,583,622)</u>
Total expenses	<u>\$69,164,930</u>	<u>\$(44,000,067)</u>	<u>\$73,208,625</u>	<u>\$(45,314,665)</u>
Business-type activities:				
Water	11,894,252	11,733,810	12,326,747	15,798,101
Wastewater	12,831,006	362,468	11,406,457	2,017,225
Event center	<u>1,430,731</u>	<u>(154,632)</u>	<u>2,116,636</u>	<u>842,004</u>
Total expenses	<u>\$26,155,989</u>	<u>\$11,941,646</u>	<u>\$25,849,840</u>	<u>\$18,657,330</u>

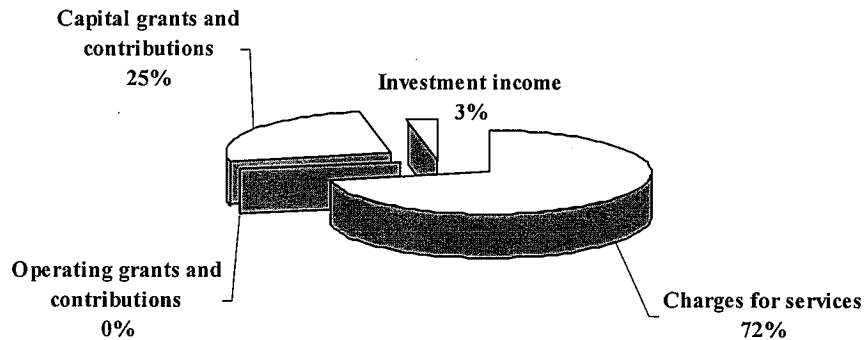
Revenues by Source – Governmental Activities



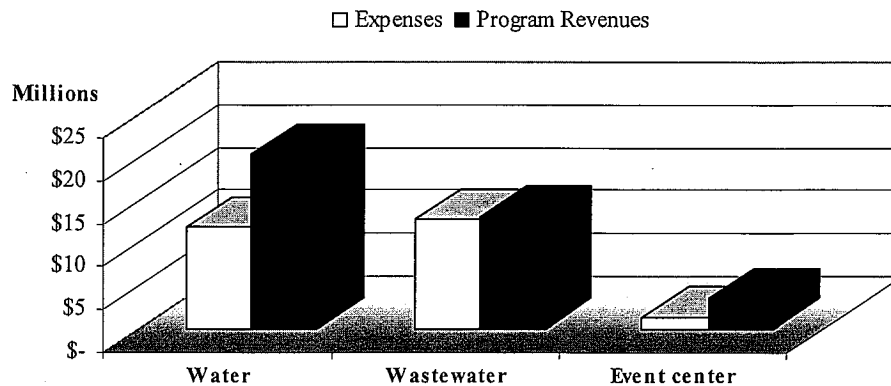
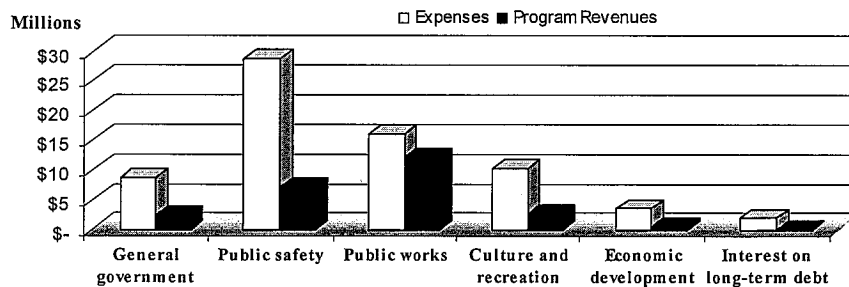
**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Revenues by Source – Business-type Activities



Expenses and Program Revenues – Governmental & Business type Activities



**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Governmental-type activities: Net assets of the governmental-type activities at the end of the year amount to \$232.0 million. The following are significant current year transactions that have had an impact on the Statement of Activities.

- Program revenues including federal and state grants and contributions, charges for services, and local revenues subsidized certain programs totaling \$25.2 million.
- The cost of all governmental activities in fiscal year 2009 was \$69.2 million, 5.5 percent lower than fiscal year 2008 due primarily to the downturn of the economy.
- Net cost of governmental activities (\$44.0 million) was financed by general revenues (\$47.8 million) that are made up of primarily gross receipt taxes (\$15.7 million), property taxes (\$14.5 million), and unrestricted grants, aid and state shared revenues (\$13.4 million).
- Gross receipt taxes and unrestricted grants, aid and state shared revenues decreased \$3.3 million from fiscal year 2008, primarily due to the continued decrease in construction activity and in single-family housing market.
- Investment income decreased \$.9 million due to declining in interest rates from the downturn in the economy.
- Property tax revenues exceeded fiscal year 2008 by \$1.6 million, primarily due to an increase in a large number of homes constructed and the reassessment of non-residential properties.

Business-type activities. Net assets of the business-type activities at the end of the year amount to \$138.8 million. The increase of \$28.4 million over fiscal year 2008 was primarily due to a rate increase in the charges for water and wastewater services and developer capital contributions.

The following are significant current year transactions that have had an impact on the Statement of Net Activities.

- The City's water and wastewater utility increase in net assets is partially attributed to 5.4 percent increase in water rates and 5.4 percent increase in wastewater rates.
- The cost of all business-type activities in fiscal year 2009 was \$26.2 million, .9 percent higher than fiscal year 2008 due primarily to increases in electricity rates and water and wastewater operational expenses due to growth of the City.
- Program revenues, specifically operating grants and contributions for the Santa Ana Star Center increased \$.7 million to subsidize bond payments.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$60.3 million; an increase of \$25.5 million primarily due to the City issued \$25.0 million in general obligation bonds.

The General Fund is the principal operating fund of the City. The decrease in fund balance of \$4.2 million in the General Fund to \$9.6 million as of June 30, 2009 was due primarily to \$1.4 million of transfers out to fund various construction and equipment replacement projects. Property taxes increased, however, municipal and state shared taxes decreased due to the downturn in the economy.

Proprietary funds. Net assets of the business-type activities at the end of the year amount to \$138.8 million. The increase of \$28.4 million over fiscal year 2008 was primarily due to a rate increase in the charges for water and wastewater services, an issuance of \$13.2 million water and wastewater revenue bonds and \$.5 million in capital contributions.

BUDGETARY HIGHLIGHTS

The City revised the General Fund budget during the year. The City conducts a mid-year budget review, which provides the City with an opportunity to adjust the fiscal year budget for changes in projected revenue and expenditure levels. The fiscal year 2009 budget recommendations for expenditures are focused on the following objectives:

- Expenditures for personal services are up over 9%. This is due to across-the-board wage adjustments and other items affecting wages that were negotiated in previous years. This, then, adds to the need to reduce expenditures in other areas of the budget. Only, three new positions are recommended for approval. Also, one results in a more than offsetting reduction in overtime, the other is contingent on an offsetting revenue source being available.
- Several vacant positions have not been funded going forward. The budget only includes 9 elected officials, 700 full time employees and 63 seasonal employees. The average salary increase for full time employees is 4%.
- Materials and services and capital outlay portions of the budget are being reduced by over 19% or \$3.0 million. Reductions in such areas as professional services, 41%, advertising, 18%, furniture and equipment, 52%, and travel and training, 17%, will limit some aspects of service delivery by delaying rather than eliminating certain items.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

BUDGETARY HIGHLIGHTS (Concl'd)

- The decline in gross receipts tax (GRT) is affected by the economic situation. The decline in construction and revenue has reduced the ability of these funds to assist in construction of needed infrastructure.

The increases and decreases reflective of the fiscal year 2009 midyear budget can be briefly summarized as follows:

- The largest revenue increase is \$.5 million or 5.3 percent in property tax revenue. This increase is a result of the number of new homes constructed during 2007 and 2008.
- Gross receipts tax (GRT) revenue is reduced \$3.3 million anticipating future declines in the major revenue producing sectors such as construction and retail. In addition to the decline in economic activity, funding for the water and sewer lines for the new high school and the Hewlett Packard project financed with gross receipts tax through borrowings through the New Mexico Finance Authority further reduces General Fund revenue. Both of these projects were not anticipated when the original budget was adopted.
- The expenditure changes are focused on four objectives:
 - 1) Maintain the General Fund ending fund balance at an appropriate level given the current economic conditions.
 - 2) Increase Personnel Services to reflect the less than anticipated salary vacancy savings.
 - 3) Increase funding for utilities and communications and other costs. Escalating prices as well as cost to operate the Aquatics Center and new outdoor pool impacted utility costs.
 - 4) Reduce materials and services spending to balance the budget. Departments were required to reduce department materials and services budgets by more than 5%, resulting in net budget reductions of \$1.6 million.

The variances between the budget and actual revenues and expenditures for the General fund can be briefly summarized as follows:

- \$2.3 million negative variance for municipal and state share taxes is due to the reduction of construction and retail gross receipts tax revenue.
- \$.5 million negative variance for various service charges is due to the economic downturn of the economy and a significant decline in the number of single-family building permits issued.
- \$2.8 million in expenditure savings due to departments aggressively reducing materials and services budgets by 5%.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$498.8 million (net of accumulated depreciation). This investment in capital assets includes buildings, facilities, vehicles, equipment, and infrastructure assets. This amount represents a net increase of \$61.2 million over last year, primarily due to additions of general governmental road network assets, and various arsenic water projects. Total depreciation expense for the year was \$14.6 million.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2009 and June 30, 2008.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u> <u>As restated</u>	<u>2009</u>	<u>2008</u>
Land	\$56,385,414	\$54,991,283	\$15,328,186	\$8,230,954	\$71,713,600	\$63,222,237
Land improvements	7,673,845	6,964,929	3,121,019	3,214,517	10,794,864	10,179,446
Buildings and improvements	37,238,165	11,062,188	73,843,630	60,510,447	111,081,797	71,572,635
Vehicles, furniture and equipment	9,011,210	9,929,874	15,885,586	17,275,152	24,896,791	27,205,026
System infrastructure	99,482,673	84,391,538	83,848,085	76,074,887	183,330,758	160,466,425
Construction in progress	<u>33,266,573</u>	<u>66,204,295</u>	<u>63,702,992</u>	<u>38,688,488</u>	<u>96,969,565</u>	<u>104,892,783</u>
Total	<u>\$243,057,880</u>	<u>\$233,544,108</u>	<u>\$255,729,498</u>	<u>\$203,994,445</u>	<u>\$498,787,378</u>	<u>\$437,538,552</u>

Additional information on the City's capital assets can be found in Note 4.

Debt Administration. At the end of the current fiscal year, the City had \$232.9 million in long-term debt outstanding, with \$11.6 million due within one year. The following table presents a summary of the City's outstanding bonded debt for the fiscal years ended June 30, 2009 and June 30, 2008.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds	\$36,075,000	\$14,325,000			\$36,075,000	\$14,325,000
Revenue bonds	18,645,000	19,445,000	158,460,000	154,200,000	177,105,000	173,645,000
Notes payable	11,665,621	2,520,283			11,665,621	2,520,283
Loans payable	<u>-</u>	<u>-</u>	<u>8,032,219</u>	<u>8,414,645</u>	<u>8,032,219</u>	<u>8,414,645</u>
Total	<u>\$66,385,621</u>	<u>\$36,290,283</u>	<u>\$166,492,219</u>	<u>\$162,614,645</u>	<u>\$232,877,840</u>	<u>\$198,904,928</u>

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

State statutes currently limit the amount of general obligation debt a City may issue to 4 percent of its total assessed valuation for general purposes. The current debt limitation for the City is \$86,731,396. State statute also currently does not limit the amount of general obligation debt a City may issue for water and wastewater system. The City has no outstanding general obligation debt for the water and wastewater system.

The City's general obligation bond debt is graded at AA- by Fitch Ratings and Aaa by Moody's. The gross receipts tax revenue bond debt is graded an A1 by Moody's and AA- by Standard & Poors.

The City's water and wastewater revenue bond debt was upgraded to A+ by Fitch Ratings and Standard & Poors maintained an A rating.

Additional information on the City's long-term debt can be found in Note 5.

The following are significant current year transactions that have had an impact on capital assets.

- The addition of \$20.2 million in governmental activities due to the construction of a new Library and City Hall and various park and infrastructure projects.
- The addition of \$6.2 million in capital contributions primarily for a new park and miscellaneous infrastructure.
- The addition of \$34.8 million in business-type activities primarily due to the federal mandate of water well arsenic removal systems.
- The addition of \$14.0 million in capital contributions primarily from two wastewater treatment plants.

The following are significant current year transactions that have had an impact on long-term debt.

- The City issued \$13.2 million in water and wastewater revenue bonds to provide funds for the cost of water rights and funding water and wastewater system improvement projects.
- The City issued \$25.0 million of general obligation bonds for constructing and rehabilitating various roads throughout the City.
- The City issued \$58.0 million of water and wastewater revenue bonds to refund the City's water and wastewater refunding bonds, series 1999 which were called on May 15, 2009. The refunding released the required reserve requirements, purchased bond issuance, and to pay certain costs of issuance.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

Many factors were considered by the City's administration during the process of developing the fiscal year 2009-10 budgets. The objectives set for the fiscal year budget include the following:

- Due to a weak economy, total income to support most city services is lower by almost 7 percent. Despite this, through this budget your City government will continue to provide the same level of service to the community without raising taxes.
- We have worked hard to balance the budget in a very tight fiscal climate. These efforts have resulted in spending that is five percent less than the 2008-09 fiscal year. These efforts include:
 - Holding 51 jobs vacant. It is important to note that no first responder jobs will be held vacant.
 - Unfortunately, there are not compensation increases for any group of employees.
- In spite of these challenging economic times, not only are we maintaining service levels, but our City continues to move forward. Through this budget we begin implementation of the Strategic Plan, which was adopted in March 2009. The purpose of the strategic planning effort was to create a set of clear goals and strategies for meeting critical needs and challenges facing the community and city government. The Strategic Plan can be found on the City's web site at www.ci.rio-rancho.nm.us.
- The City's most important single revenue source, Gross Receipts Tax (GRT), is projected to increase by \$2,471,613 or nearly 10.5 percent. GRT revenue of \$26,001,324 accounts for 52.1 percent of the total FY10 General Fund operating revenue budget of \$49,753,697. The construction revenue component of GRT is expected to grow by \$310,297 or 22.5 percent in FY10, as the number of single-family building permits issued have gained strength. The increase in construction GRT will also come from major commercial type projects, including Hewlett Packard, University of New Mexico, Community College of New Mexico, as well as the large road construction program funded by the Federal Stimulus program and a recent general obligation bond. In other sectors of GRT we see just small changes since the economy will be very slow to recover during FY10.

Stimulus Grants Awarded

- Edward Byrne Memorial Justice Assistance Grant (JAG) to fund additional police cars in to support the additional new officers. Amount awarded \$243,505.
- Community Development Block Grant (CDBG) is a stimulus to the CDBG already in place. The funding must be used in line with the City's Action Plan. Amount awarded \$84,397.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Concl'd)

- NM Department of Transportation through MRCOG award of \$14.0 million for construction of Paseo Del Volcan.

Stimulus Grants Pending Applications

- COPS Hiring Recovery Program will pay 100% for 15 entry-level police officers salaries and benefits for a period of three years.
- Energy Efficiency and Conservation Block Grant to implement strategies to reduce fossil fuel emissions, total energy use, and improve energy efficiency in all sectors.
- Compensation accounts for 77.4 percent of the General Fund operating budget. The wages and benefits decreased by 5.5 percent or \$2,268,910 by:
 - freezing positions through attrition.
 - increasing salary savings.
 - forgoing salary increases.
 - delaying hiring process for some positions.
 - reducing health insurance costs by changing plans.
 - reducing hours or days of aquatics operations.
 - reducing summer program staffing levels.
 - establishing a part-time voluntary program which allows employees with the approval of the Department Director to temporary change from full time employment to part time employment.

The City is rapidly becoming one of the hottest places to relocate a business, offering a portfolio of incentives, tax benefits and other programs that stand behind New Mexico commitment, including one of the most aggressive job training programs in the nation. New Mexico's communities are not only great places to live and work; they are great places to live, surrounded by a variety of cultural and recreational opportunities.

The Albuquerque MSA economy slipped deeper into recession during the second quarter of 2009. The MSA economy lost 12,667 (net) jobs between the second quarter of 2008 and the second quarter of 2009. Construction took the biggest hit, posting a net employment drop of (-16.5 percent). Housing remained unsurprisingly weak. Total housing unit authorizations were down 11.0 percent in the City of Rio Rancho.

These indicators were considered when adopting the budget for fiscal year 2009-10. Amounts available in the General Fund budget are \$55.0 million, a decrease of 4.6 percent. Municipal and state shared gross receipts taxes are expected to increase 10.5 percent and the 2009 property tax assessment shows and increase of 7.2 percent. Budgeted expenditures in the General Fund increased 3.3 percent to \$55.0 million in fiscal year 2009-10. No new programs were added to the 2009-10 budget.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2009**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Financial Services Department, City of Rio Rancho, 3200 Civic Center Circle NE Rio Rancho, New Mexico 87144.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 54,296,304	\$ 33,766,112	\$ 88,062,416
Property taxes receivable	1,155,564		1,155,564
Accounts receivable	1,653,662	3,539,514	5,193,176
Due from federal government	2,003,438	5,901,578	7,905,016
Due from state government	5,814,219	496,944	6,311,163
Due from county government		260,341	260,341
Total current assets	<u>64,923,187</u>	<u>43,964,489</u>	<u>108,887,676</u>
Noncurrent assets:			
Restricted investments		8,813,942	8,813,942
Deferred bond issuance costs	420,600	2,273,255	2,693,855
Deferred refunding charges	57,470		57,470
Deferred bond discount	184,431	730,415	914,846
Goodwill (net of amortization)		4,643,799	4,643,799
Land	56,385,414	15,328,186	71,713,600
Land improvements	10,501,391	3,841,509	14,342,900
Infrastructure	209,817,934	96,678,304	306,496,238
Buildings and improvements	41,039,021	81,851,778	122,890,799
Vehicles, furniture and equipment	22,164,762	28,546,045	50,710,807
Construction in progress	33,266,573	63,702,992	96,969,565
Accumulated depreciation	(130,117,215)	(34,219,316)	(164,336,531)
Total noncurrent assets	<u>243,720,381</u>	<u>272,190,909</u>	<u>515,911,290</u>
Total assets	<u>308,643,568</u>	<u>316,155,398</u>	<u>624,798,966</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,706,843	3,102,388	5,809,231
Accrued payroll	882		882
Accrued interest payable	362,331	726,099	1,088,430
Compensated absences payable	4,598,036	64,352	4,662,388
Arbitrage payable	233,212	199,322	432,534
Note payable	439,509	469,418	908,927
Unearned revenue	556,353	19,686	576,039
General obligation bonds payable	3,200,000		3,200,000
Revenue bonds payable	825,000	6,635,000	7,460,000
Deposits held for others		1,321,638	1,321,638
Total current liabilities	<u>12,922,166</u>	<u>12,537,903</u>	<u>25,460,069</u>
Noncurrent liabilities:			
Note payable	11,226,112	7,562,801	18,788,913
General obligation bonds payable	32,875,000		32,875,000
Revenue bonds payable	17,820,000	151,825,000	169,645,000
Deferred bond premium	1,759,629	5,450,842	7,210,471
Total non-current liabilities	<u>63,680,741</u>	<u>164,838,643</u>	<u>228,519,384</u>
Total liabilities	<u>76,602,907</u>	<u>177,376,546</u>	<u>253,979,453</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	206,205,225	108,895,574	315,100,799
Restricted for:			
Debt service	4,632,340	8,813,942	13,446,282
Capital projects	3,373,931		3,373,931
Unrestricted	17,829,165	21,069,336	38,898,501
Total net assets	<u>\$ 232,040,661</u>	<u>\$ 138,778,852</u>	<u>\$ 370,819,513</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 8,726,702	\$ 1,324,081	\$	\$ 717,555	\$ (6,685,066)
Public safety	28,644,454	4,630,047	2,658,488	255,908	(21,100,011)
Public works	16,119,562	1,014,410	431,924	10,932,329	(3,740,899)
Culture and recreation	10,277,960	1,756,449	201,472	710,396	(7,609,643)
Economic development	3,477,853	515,304	16,500		(2,946,049)
Interest on long-term debt	1,918,399				(1,918,399)
Total governmental activities	<u>69,164,930</u>	<u>9,240,291</u>	<u>3,308,384</u>	<u>12,616,188</u>	<u>(44,000,067)</u>
Business-type activities:					
Water	11,894,252	14,267,148		9,360,914	
Wastewater	12,831,006	12,628,832		564,642	
Event center	1,430,731	1,249,508		26,591	
Total business-type activities	<u>26,155,989</u>	<u>28,145,488</u>		<u>9,952,147</u>	
Total primary government	<u>\$ 95,320,919</u>	<u>\$ 37,385,779</u>	<u>\$ 3,308,384</u>	<u>\$ 22,568,335</u>	<u>\$ (44,000,067)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					10,228,659
Property taxes, levied for debt service					4,255,468
Gross receipts taxes					15,720,986
Franchise taxes					2,988,269
Unrestricted grants, aid and state shared revenues					13,425,817
Investment income					284,896
Miscellaneous					903,402
Total general revenues					<u>47,807,497</u>
Changes in net assets					3,807,430
Net assets, beginning of year					228,233,231
Restatement					
Net assets, beginning of year, as restated					<u>228,233,231</u>
Net assets, end of year					<u>\$ 232,040,661</u>

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue
and Changes in Net Assets

Business-type Activities	Totals
\$	\$ (6,685,066)
	(21,100,011)
	(3,740,899)
	(7,609,643)
	(2,946,049)
	(1,918,399)
	(44,000,067)
11,733,810	11,733,810
362,468	362,468
(154,632)	(154,632)
11,941,646	11,941,646
\$ 11,941,646	\$ (32,058,421)
	10,228,659
	4,255,468
	15,720,986
	2,988,269
	13,425,817
1,191,571	1,476,467
531,454	1,434,856
1,723,025	49,530,522
13,664,671	17,472,101
110,418,029	338,651,260
14,696,152	14,696,152
125,114,181	353,347,412
\$ 138,778,852	\$ 370,819,513

CITY OF RIO RANCHO, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Bond Construction 2009 Roads Fund	Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 3,535,363	\$ 25,344,028	\$ 25,416,913
Property taxes receivable	742,253		413,311
Accounts receivable	1,389,212		264,450
Due from federal government	289,575		1,713,863
Due from state government	4,090,133		1,724,086
Due from other funds	879,517		
Total assets	<u>\$ 10,926,053</u>	<u>\$ 25,344,028</u>	<u>\$ 29,532,623</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 436,557	\$ 225,204	\$ 2,045,082
Accrued payroll			882
Accrued interest payable			362,331
Due to other funds			879,517
Deferred revenue	888,627		645,610
Total liabilities	<u>1,325,184</u>	<u>225,204</u>	<u>3,933,422</u>
Fund balances:			
Unreserved:			
Undesignated	9,600,869	25,118,824	
Unreserved reported in:			
Special revenue funds			7,222,212
Capital projects funds			14,100,599
Debt service funds			4,276,390
Total fund balances	<u>9,600,869</u>	<u>25,118,824</u>	<u>25,599,201</u>
Total liabilities and fund balances	<u>\$ 10,926,053</u>	<u>\$ 25,344,028</u>	<u>\$ 29,532,623</u>

The notes to the financial statements are an integral part of this statement.

Total
Governmental
Funds

\$ 54,296,304
1,155,564
1,653,662
2,003,438
5,814,219
879,517

\$ 65,802,704

\$ 2,706,843
882
362,331
879,517

1,534,237

5,483,810

34,719,693

7,222,212
14,100,599

4,276,390

60,318,894

\$ 65,802,704

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CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Governmental Fund balances **\$ 60,318,894**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	373,175,095	
Less accumulated depreciation	<u>(130,117,215)</u>	243,057,880

Property tax revenues that are not available to pay for current period expenditures are deferred in the funds.		977,884
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Deferred charges, issuance costs and premiums related to issuance of bonds are amortized over the life of the associated issue in the government-wide statements.		(1,097,128)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable	(4,598,036)	
Notes payable	(11,665,621)	
Arbitrage payable	(233,212)	
General obligation bonds payable	(36,075,000)	
Revenue bonds payable	<u>(18,645,000)</u>	<u>(71,216,869)</u>

Net Assets of Governmental Activities **\$ 232,040,661**

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

	General Fund	Bond Construction 2009 Roads Fund	Non-Major Governmental Funds
Revenues:			
Property taxes	\$ 10,091,358	\$	\$ 4,135,583
Municipal and state shared taxes	23,261,148		5,881,558
License and permits	309,310		
Intergovernmental federal	1,500,650		3,808,012
Intergovernmental state	22,243		2,926,221
Intergovernmental county			45,416
Impact fees			1,312,729
Charges for services	4,781,622		601,912
Fines and forfeits	1,132,316		90,055
Franchise fees	2,846,469		141,800
Contributions and donations			81,493
Investment income	55,470		229,426
Other revenues	2,286,317		942,161
Total revenues	<u>46,286,903</u>		<u>20,196,366</u>
Expenditures:			
Current -			
General government	7,730,914		445,353
Public safety	25,077,980		1,911,935
Public works	5,922,836		2,962,849
Culture and recreation	8,255,085		1,035,653
Economic development	2,697,981		730,486
Other expenses			11,500
Capital outlay	1,092,082	350,551	11,435,631
Debt service -			
Principal			4,790,762
Interest and fiscal charges			1,839,743
Bond issuance costs		85,097	
Total expenditures	<u>50,776,878</u>	<u>435,648</u>	<u>25,163,912</u>
Excess (deficiency) of revenues over expenditures	<u>(4,489,975)</u>	<u>(435,648)</u>	<u>(4,967,546)</u>
Other financing sources (uses):			
Loan proceeds			9,886,100
Issuance of general obligation bonds		25,554,472	
Transfers in	1,443,554		1,544,015
Transfers out	(1,140,564)		(1,847,005)
Total other financing sources (uses)	<u>302,990</u>	<u>25,554,472</u>	<u>9,583,110</u>
Changes in fund balances	<u>(4,186,985)</u>	<u>25,118,824</u>	<u>4,615,564</u>
Fund balances, beginning of year	13,787,854		20,983,637
Fund balances, end of year	<u>\$ 9,600,869</u>	<u>\$ 25,118,824</u>	<u>\$ 25,599,201</u>

The notes to the financial statements are an integral part of this statement.

Total
Governmental
Funds

\$	14,226,941
	29,142,706
	309,310
	5,308,662
	2,948,464
	45,416
	1,312,729
	5,383,534
	1,222,371
	2,988,269
	81,493
	284,896
	3,228,478
	<u>66,483,269</u>

	8,176,267
	26,989,915
	8,885,685
	9,290,738
	3,428,467
	11,500
	<u>12,878,264</u>

	4,790,762
	1,839,743
	85,097
	<u>76,376,438</u>

	<u>(9,893,169)</u>
--	--------------------

	9,886,100
	25,554,472
	2,987,569
	<u>(2,987,569)</u>
	<u>35,440,572</u>

	<u>25,547,403</u>
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	34,771,491
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\$	<u><u>60,318,894</u></u>
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CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Net Changes in Fund Balances - Total Governmental Funds **\$ 25,547,403**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	12,878,264	
Less current year depreciation	<u>(9,569,770)</u>	3,308,494

Capital assets contributed by developers to the City are not recorded in the governmental funds as they do not provide current financial resources but are recognized in the Statement of Activities as program revenues. 6,231,907

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Loss on sale of capital assets	(26,628)	
Amortization of bond issuance costs	(22,391)	
Amortization of deferred charges	(19,158)	
Arbitrage costs	(233,212)	
Compensated absences	<u>(645,850)</u>	(947,239)

Revenue that are deferred in the governmental funds because they do not provide current financial resources are included in the Statement of Activities.

Property taxes	257,186	
Amortization of bond premium	<u>59,490</u>	316,676

Repayment of long-term debt principal are expenditures in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets.

General obligation bonds retirement	3,250,000	
Revenue bonds retirement	800,000	
Notes payable retirement	<u>740,762</u>	4,790,762

The issuance of long-term debt provides and uses current financial resources in the governmental funds, but the issuance increases long-term liabilities and the related deferred items in the Statement of Net Assets.

Issuance of bonds	(25,000,000)	
Issuance of notes	(9,886,100)	
Bonds issuance costs	94,800	
Premium on sale of bonds	(833,703)	
Bond discount on sale of bonds	<u>184,431</u>	(35,440,572)

Rounding (1)

Change in Net Assets in Governmental Activities **\$ 3,807,430**

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CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 9,441,433	\$ 9,966,433	\$ 10,091,358	\$ 124,925
Municipal and state shared taxes	28,865,773	25,513,973	23,261,148	(2,252,825)
License and permits	350,840	341,590	309,310	(32,280)
Intergovernmental federal	1,350,833	1,375,833	1,500,650	124,817
Intergovernmental state	102,099	102,099	22,243	(79,856)
Charges for services	5,405,360	4,889,974	4,781,622	(108,352)
Fines and forfeits	1,113,243	1,121,243	1,132,316	11,073
Franchise fees	2,910,546	3,049,225	2,846,469	(202,756)
Investment income	450,000	85,000	55,470	(29,530)
Other revenues	1,983,726	2,162,182	2,286,317	124,135
Total revenues	<u>51,973,853</u>	<u>48,607,552</u>	<u>46,286,903</u>	<u>(2,320,649)</u>
Expenditures:				
Current -				
General government	6,819,018	7,793,017	7,730,914	62,103
Public safety	25,936,538	25,551,918	25,077,980	473,938
Public works	7,920,964	7,587,048	5,922,836	1,664,212
Culture and recreation	9,593,188	9,401,810	8,255,085	1,146,725
Economic development	2,749,809	3,007,758	2,697,981	309,777
Capital outlay	189,100	212,142	1,092,082	(879,940)
Total expenditures	<u>53,208,617</u>	<u>53,553,693</u>	<u>50,776,878</u>	<u>2,776,815</u>
Excess (deficiency) of revenues over expenditures	<u>(1,234,764)</u>	<u>(4,946,141)</u>	<u>(4,489,975)</u>	<u>456,166</u>
Other financing sources (uses):				
Transfers in	162,837	1,561,008	1,443,554	(117,454)
Transfers out	(991,510)	(1,421,982)	(1,140,564)	281,418
Total other financing sources (uses)	<u>(828,673)</u>	<u>139,026</u>	<u>302,990</u>	<u>163,964</u>
Change in fund balances	<u>(2,063,437)</u>	<u>(4,807,115)</u>	<u>(4,186,985)</u>	<u>620,130</u>
Fund balances, July 1, 2008	8,390,351	9,518,293	13,787,854	4,269,561
Fund balances, June 30, 2009	<u>\$ 6,326,914</u>	<u>\$ 4,711,178</u>	<u>\$ 9,600,869</u>	<u>\$ 4,889,691</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	Enterprise Funds		
	Utilities Fund	Multi-Purpose Event Center Fund	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 33,736,000	\$ 30,112	\$ 33,766,112
Accounts receivable	3,539,514		3,539,514
Due from federal government	5,901,578		5,901,578
Due from state government	96,944	400,000	496,944
Due from county government	260,341		260,341
Total current assets	<u>43,534,377</u>	<u>430,112</u>	<u>43,964,489</u>
Noncurrent assets:			
Restricted investments	5,935,970	2,877,972	8,813,942
Deferred bond issuance costs	1,817,555	455,700	2,273,255
Deferred bond discount	480,219	250,196	730,415
Goodwill (net of amortization)	4,643,799		4,643,799
Land	14,995,686	332,500	15,328,186
Land improvements	3,841,509		3,841,509
Infrastructure	96,678,304		96,678,304
Buildings and improvements	41,038,198	40,813,580	81,851,778
Vehicles, furniture and equipment	27,574,057	971,988	28,546,045
Construction in progress	63,702,992		63,702,992
Accumulated depreciation	(33,171,493)	(1,047,823)	(34,219,316)
Total noncurrent assets	<u>227,536,796</u>	<u>44,654,113</u>	<u>272,190,909</u>
Total assets	<u>271,071,173</u>	<u>45,084,225</u>	<u>316,155,398</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	3,100,719	1,669	3,102,388
Accrued interest payable	594,236	131,863	726,099
Compensated absences payable	64,352		64,352
Arbitrage payable	199,322		199,322
Note payable	469,418		469,418
Deferred revenue	19,686		19,686
Revenue bonds payable	5,420,000	1,215,000	6,635,000
Deposits held for others	1,321,638		1,321,638
Total current liabilities	<u>11,189,371</u>	<u>1,348,532</u>	<u>12,537,903</u>
Noncurrent liabilities:			
Note payable	7,562,801		7,562,801
Revenue bonds payable	119,575,000	32,250,000	151,825,000
Deferred bond premium	5,450,842		5,450,842
Total non-current liabilities	<u>132,588,643</u>	<u>32,250,000</u>	<u>164,838,643</u>
Total liabilities	<u>143,778,014</u>	<u>33,598,532</u>	<u>177,376,546</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	100,584,433	8,311,141	108,895,574
Restricted for:			
Debt service	5,935,970	2,877,972	8,813,942
Unrestricted	20,772,756	296,580	21,069,336
Total net assets	<u>\$ 127,293,159</u>	<u>\$ 11,485,693</u>	<u>\$ 138,778,852</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Enterprise Funds		
	Utilities Fund	Multi-Purpose Event Center Fund	Total
Operating revenues:			
Charges for services - water	\$ 14,267,148	\$	\$ 14,267,148
Charges for services - wastewater	12,628,832		12,628,832
Charges for services - event center		1,249,508	1,249,508
Total operating revenues	<u>26,895,980</u>	<u>1,249,508</u>	<u>28,145,488</u>
Operating expenses:			
Administration	3,275,047	1,133,189	4,408,236
Production costs	10,489,879		10,489,879
Depreciation	4,154,423	867,559	5,021,982
Total operating expenses	<u>17,919,349</u>	<u>2,000,748</u>	<u>19,920,097</u>
Operating income (loss)	<u>8,976,631</u>	<u>(751,240)</u>	<u>8,225,391</u>
Nonoperating revenues (expenses):			
Interest expense	(6,097,757)	(1,705,766)	(7,803,523)
Intergovernmental federal	5,446,179		5,446,179
Intergovernmental state	2,237,778	2,315,000	4,552,778
Intergovernmental county	635,893		635,893
Amortization of deferred bond items	(329,511)	(39,217)	(368,728)
Impact fees	1,111,146		1,111,146
Amortization of goodwill	(178,895)		(178,895)
Investment income	1,155,263	36,308	1,191,571
Other revenues	54,640	476,814	531,454
Other expenses	(199,746)		(199,746)
Total nonoperating revenues (expenses)	<u>3,834,990</u>	<u>1,083,139</u>	<u>4,918,129</u>
Income before capital contributions and transfers	<u>12,811,621</u>	<u>331,899</u>	<u>13,143,520</u>
Capital contributions	<u>494,560</u>	<u>26,591</u>	<u>521,151</u>
Changes in net assets	<u>13,306,181</u>	<u>358,490</u>	<u>13,664,671</u>
Total net assets, beginning of year	99,290,826	11,127,203	110,418,029
Restatement	<u>14,696,152</u>		<u>14,696,152</u>
Total net assets, beginning of year, as restated	113,986,978	11,127,203	125,114,181
Total net assets, end of year	<u>\$ 127,293,159</u>	<u>\$ 11,485,693</u>	<u>\$ 138,778,852</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF RIO RANCHO, NEW MEXICO
STATE OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2009

	Enterprise Funds		
	Utilities Fund	Multi-Purpose Event Center Fund	Total
<u>Increase (Decrease) In Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received from customers	\$ 28,652,716	\$ 1,249,508	\$ 29,902,224
Cash payments to employees	(1,888,167)		(1,888,167)
Cash payments to suppliers for goods and services	(14,332,573)	(1,145,104)	(15,477,677)
Net cash provided by (used for) operating activities	12,431,976	104,404	12,536,380
Cash flows from noncapital financing activities:			
Intergovernmental revenues	3,153,984	2,641,814	5,795,798
Net cash provided by (used for) noncapital and related financing activities	3,153,984	2,641,814	5,795,798
Cash flows from capital and related financing activities:			
Net acquisition of capital assets	(41,539,732)		(41,539,732)
Payment of principal on long-term debt	14,569,963	(1,165,000)	13,404,963
Interest paid on bonds	(6,360,754)	(1,709,746)	(8,070,500)
Development impact fees	1,111,146		1,111,146
Net cash provided by (used for) capital and related financing activities	(32,219,377)	(2,874,746)	(35,094,123)
Cash flows from investing activities:			
Investment income	1,155,263	36,308	1,191,571
Net cash provided by investing Activities	1,155,263	36,308	1,191,571
Net increase (decrease) in cash and cash equivalents	(15,478,154)	(92,220)	(15,570,374)
Cash and cash equivalents, beginning of year	49,214,154	122,332	49,336,486
Cash and cash equivalents, end of year	\$ 33,736,000	\$ 30,112	\$ 33,766,112
<u>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities</u>			
Operating income	\$ 8,976,631	\$ (751,240)	8,225,391
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	4,154,423	867,559	5,021,982
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,700,404		1,700,404
Increase (decrease) in accounts payable	(2,415,826)	(11,915)	(2,427,741)
Increase (decrease) in accrued liabilities	(35,987)		(35,987)
Increase (decrease) in compensated absences payable	(4,001)		(4,001)
Increase (decrease) in deposits held for others	36,646		36,646
Increase (decrease) in deferred revenue	19,686		19,686
Total adjustments	3,455,345	855,644	4,310,989
Net cash provided by (used for) operating activities	\$ 12,431,976	\$ 104,404	\$ 12,536,380
Non-cash investing capital and financing activities:			
Capital assets acquired through contributions from developers	\$ 494,560	\$ 26,591	\$ 521,151

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2009

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	<u>\$ 1,553,109</u>
Total assets	<u><u>\$ 1,553,109</u></u>
 <u>LIABILITIES</u>	
Deposits held for others	<u>1,553,109</u>
Total liabilities	<u><u>\$ 1,553,109</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rio Rancho (City) was incorporated in 1981 and the voters approved a home rule amendment to the charter in 1992. The City operates under a manager-council form of government with six council members.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's significant accounting policies are described below.

A. Reporting Entity

The City's major operations include police and fire protection, library, parks and recreation, certain community and social services and general administrative services. In addition, the City owns and operates two enterprise funds, which includes a Utilities Fund for water and wastewater operations and the Multi-purpose Event Center.

The financial reporting entity consists of a primary government and its component units. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the City for financial statement presentation purposes, and the City is not included in any other governmental reporting entity. Consequently, the City's financial statements include only the financial activity of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the City as a whole. The reported information includes all of the nonfiduciary activities of the City and its component units. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes,

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

investment income and other items not included among program revenues, but are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. In addition, the fiduciary fund financial statements are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements, however the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their exchange value. The City does not allocate indirect expense to functions in the statement of activities.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts and gasoline taxes, are recognized as revenues when the underlying exchange transaction has occurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipts taxes, state shared taxes, franchise fees, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenue also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

The City reports the following major governmental funds.

General Fund – This fund accounts for all financial resources of the City, except those required to be accounted for in other funds.

Bond Construction Fund 2009 Roads – This capital projects fund is used to account for the construction of various roads throughout the City.

The City reports the following major proprietary funds.

Utilities Fund – This enterprise fund is used to account for all operations of the water and wastewater systems.

Multi-Purpose Event Center Fund – This enterprise fund is used to account for all construction and operations of the multi-purpose event center.

Additionally, the City reports the following fund type:

Fiduciary Fund – The Fiduciary Fund consists of agency funds which account for assets held by the City on behalf of others and includes the Special Assessment Operations, District V, VI, and VII Bonds Fund, the Municipal Court Fund, the Motor Vehicle Division Fund, the Gross Receipts Incentive Program (GRIP), and the Rio Rancho Economic Development Fund. These funds account for monies temporarily held by the City as an agent.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the City's enterprise funds are charges to customers for water and wastewater services and the event center. Operating expenses for this fund include production costs, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

D. Investments

New Mexico Statutes Annotated (NMSA) authorizes the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of New Mexico, counties, cities, towns, school districts, and special districts as specified by statute.

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. Section 6-10-101, NMSA 1978, empowers the State Treasurer, with the advise and consent of the State Board of Finance, to invest money held in the short-term investment in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

A significant portion of the cash and investments of funds of the City is pooled for investment purposes. The balance reported for each participating fund as "Cash and Investments" represents the equity of that fund in the pooled cash and investments. Interest earnings on pooled investments are allocated to the participating funds based on average daily balances.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Investment Income

Investment income is composed of interest and net changes in the fair value of applicable investments.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes attach as a lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located within the City as of the preceding January 1. The taxable valuation for the various classes of property are determined by the Sandoval County Assessor and the State of New Mexico Department of Finance and Administration (DFA), Local Government Division at one-third of assessed valuation. Property in the City for the fiscal year 2009 tax levy had a taxable value of \$2,168,284,909. The rate of taxes for operating purposes for all taxing jurisdictions is limited by the State Constitution to 20 mils (\$20 per \$1,000 assessed valuation), of which the City's portion, by state regulation, is limited to 4.684 mils. The 2009 weighted average residential and non-residential City rate for both operations and debt service was 7.907 mils. Property taxes are payable in two equal installments due on November 10th of the current year and April 10th of the following year and become delinquent after 30 days.

G. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Software is capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial. Donated capital assets are recorded at estimated fair market value at the date of donation.

General government infrastructure assets acquired prior to July 1, 2002 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1981. These infrastructure assets are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Improvements other than buildings	20
Public domain infrastructure	15-65
System infrastructure	30
Vehicles	8
Furniture and equipment	5

H. Compensated Absences

The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest immediately at the employee's current rate of pay. Sick leave benefits may be converted to vacation leave at specified rates upon retirement after 10 or more years of service; however, the sick leave benefits do not vest. The current and long-term liabilities for accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Resources from the General Fund are used to pay for compensated absences.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs, and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Net Assets Restriction and Fund Balance Reservations

In the government-wide financial statements only restrictions imposed by external sources or enabling legislation are identified as restricted net assets.

In the fund financial statements, governmental funds report reservations or designations of fund balance for amounts that are not available for expenditures or identified for use of a specific purpose by the City. At June 30, 2009, the City had no reservations of fund balance in the governmental funds.

K. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

L. Budgets

The General, Special Revenue, Debt Service, Capital Projects, and Proprietary Fund budgets are subject to approval by the New Mexico Department of Finance and Administration (DFA), Local Government Division.

During the month of May, public hearings are conducted to obtain taxpayer comments. Prior to June 1, the City submits to the DFA a proposed operating budget for the fiscal year commencing the following July 1. The budget is prepared by fund and function and includes proposed expenditures, which include carryover encumbrances and accounts payable, and the means of financing them. Prior to July 1, DFA grants interim approval for the City to operate on the proposed budget subject to adjustments and/or revisions prior to final subsequent approval before the first Monday in September. Such approval is contingent upon the City Council adopting the proposed budget in accordance with applicable state statutes, and sufficient funds being available for anticipated fiscal year expenditures. Prior to July 31, the City Council adopts by resolution a formal budget and such budget is presented to DFA for final approval.

Section 6-6-6, NMSA, 1978 Compilation prohibits municipalities from making expenditures in excess of the approved budget. For these purposes the budget referred to is the fund's total budget.

The adopted budget of the City is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

M. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

N. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at June 30, 2009 were cash in bank, investments held by the State Treasurer, and investments held by City.

NOTE 2 – CASH AND INVESTMENTS

At June 30, 2009, the carrying amount of the City's deposits was \$50,155,213 and the bank was \$53,860,959. The difference represents outstanding checks, deposits, and other reconciling items. In addition, the City has \$5,610 of cash on hand at June 30, 2009.

Custodial credit risk – deposits. The risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk; however, under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The City's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2009, \$53,860,959 of the City's bank balance was exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging financial institution's trust department.

The pledged collateral by bank at June 30, 2009, consists of the following.

Total amount on deposit	\$53,860,959
Less FDIC coverage	(250,000)
Total uninsured public funds	53,610,959
50% collateral requirement	26,805,480
Pledged securities, fair value	47,790,227
Pledged in excess of requirement	<u>\$20,984,747</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 - DEPOSITS AND INVESTMENTS (Cont'd)

As of June 30, 2009, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
CD	\$ 1,918,000	\$ 1,918,000	
Commercial Paper	9,957,428	9,957,428	
Money Market – U.S. Treasury	685,069	685,069	
State Treasurer's Investment Pool	35,708,147	35,708,147	
Total	<u>\$ 48,268,644</u>	<u>\$ 48,268,644</u>	<u>\$</u>

Interest rate risk. In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum maturity on any investment of three (3) years with the exception of bond or trust funds which should be matched to the planned expenditures of the funds.

As of June 30, 2009, the portfolio contained no holding with a stated maturity beyond one year. The securities in the portfolio were all Commercial Paper, Certificate of Deposit, and Money Market Funds. As of June 30, 2009, the weighted average maturity of the State Treasurer's local government investment pool was 46 days.

Credit quality risk. A primary stated objective of the City's adopted Investment Policy is the safety of principal and avoidance of principal loss. Risk is controlled by investment in the highest credit quality investments as defined by its adopted Policy and state law. The investments primary objective is to ensure that capital losses are avoided, whether from security defaults or erosion of market value.

Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes only:

- repurchase agreements with depository institutions,
- time and demand deposits of New Mexico banks,
- savings and loan association deposits,
- investment grade obligations of state and local governments,
- commercial paper,
- money market mutual funds, and
- State Treasurer's local government investment pool.

All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities. The City's adopted Investment Policy restricts investment in banker's acceptances and mortgage-backed derivative securities.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 - DEPOSITS AND INVESTMENTS (Concl'd)

The City's Policy and state law restrict certificates of deposit to those which are fully collateralized or insured and issued by eligible depositories in New Mexico. Such CDs are further collateralized to 100% with pledged U.S. obligations securities held by an independent custodian.

State and municipal obligations from entities within the United States must have a taxable valuation of real property for the preceding year of at least \$1 million and that has not defaulted in bond obligations within the preceding five years.

Money market mutual funds must be registered under the 1940 Act and must have assets of at least \$100 million. The City's Policy does not require that SEC registered money market mutual funds be rated as to investment quality.

The *New MexiGROW* Local Government Investment Pool (LGIP), a government investment pool is rated AAAm by Standard & Poor's and is authorized by the New Mexico State statute.

Concentration of credit risk. The City's adopted Investment Policy stresses diversification on all investments. With the exception of U.S. Treasuries, the City's Policy allows no more than 50% of the total portfolio to be invested in any single investment type, any single financial institution, or single maturity. As of June 30, 2009, the City's portfolio primarily was in State Treasurer's local government investment pool.

Custodial credit risk – securities. To control custody risk State law and the City's adopted Investment Policy requires all securities and all collateral for time and demand deposits as well as repurchase agreement collateral be transferred delivery versus payment and held by an independent party approved by the City. All securities and collateral are held in the City's name. The custodian is required to provide original safekeeping receipts. Repurchase agreements and deposits must be collateralized to 102% and 100% respectively.

The City's investment in the New Mexico State Treasurer's Investment Pool represents a proportionate interest in the Pool's portfolio. The City's portion is not identified with specific investments and is not subject to custodial risk; however, separately issued financial statements of the Office of the State Treasurer disclose the collateral pledged to secure the State Treasurer's cash and investments. The most recent report may be obtained by contacting the Office of the State Treasurer, P.O. Box 608, Santa Fe, NM 8754-0608.

NOTE 3 - RECEIVABLES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and Proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 – RECEIVABLES (Concl'd)

	<u>Unavailable</u>	<u>Unearned</u>
Governmental Funds:		
Delinquent property taxes receivable (General Fund)	\$ 621,934	\$
Customer deposits (General Fund)		212,000
Confiscations (General Fund)		54,693
Federal and state revenues (Non-major Funds)		289,660
Delinquent property taxes receivable (Non-major Funds)	355,950	
Total deferred revenue for governmental funds	<u>\$ 977,884</u>	<u>\$ 556,353</u>

In addition, the accounts receivable balances for the General Fund and the Utilities Fund are net an allowance of approximately \$340,000 and \$284,000, respectively.

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2009 follows.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$54,991,283	\$1,394,131		\$56,385,414
Construction in progress	66,204,295	9,471,894	42,409,616	33,266,573
Total capital assets, not being depreciated	<u>121,195,578</u>	<u>10,866,025</u>	<u>42,409,616</u>	<u>89,651,987</u>
Capital assets, being depreciated:				
Infrastructure	187,971,069	21,846,865		209,817,934
Buildings and improvements	14,167,003	26,872,018		41,039,021
Land improvements	9,426,316	1,075,075		10,501,391
Vehicles, furniture and equipment	22,206,711	859,804	901,753	22,164,762
Total capital assets being depreciated	<u>233,771,099</u>	<u>50,653,762</u>	<u>901,753</u>	<u>283,523,108</u>
Less accumulated depreciation for:				
Infrastructure	(103,579,531)	(6,755,730)		(110,335,261)
Buildings and improvements	(3,104,815)	(696,041)		(3,800,856)
Land improvements	(2,461,387)	(366,159)		(2,827,546)
Vehicles, furniture and equipment	(12,276,837)	(1,751,840)	(875,125)	(13,153,552)
Total accumulated depreciation	<u>(121,422,570)</u>	<u>(9,569,770)</u>	<u>(875,125)</u>	<u>(130,117,215)</u>
Total capital assets, being depreciated, net	<u>112,348,529</u>	<u>41,083,992</u>	<u>26,628</u>	<u>153,405,893</u>
Governmental activities capital assets, net	<u>\$233,544,107</u>	<u>\$51,950,017</u>	<u>\$42,436,244</u>	<u>\$243,057,880</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – CAPITAL ASSETS (Cont'd)

Business-Type Activities	Beginning Balance	Restatement	Beginning Balance (As restated)	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:						
Land	\$8,230,954		\$8,230,954	\$7,097,232		\$15,328,186
Construction in process	38,688,488		38,688,488	30,222,855	5,208,351	63,702,992
Total capital assets not being depreciated	46,919,442		46,919,442	37,320,087	5,208,351	79,031,178
Capital assets, being depreciated:						
Buildings and Improvements	66,694,583	15,021,620	81,716,203	135,575		81,851,778
System infrastructure	87,443,782		87,443,782	9,234,522		96,678,304
Vehicles, furniture and equipment	28,067,719		28,067,719	580,386	102,060	28,546,045
Land Improvements	3,841,509		3,841,509			3,841,509
Total capital assets being depreciated	186,047,593	15,021,620	201,069,213	9,950,483	102,060	210,917,636
Less accumulated depreciation for:						
Buildings and improvements	(6,184,136)	(325,468)	(6,509,604)	(1,498,544)		(8,008,148)
System infrastructure	(11,368,895)		(11,368,895)	(1,461,324)		(12,830,219)
Vehicles, furniture and equipment	(10,792,567)		(10,792,567)	(1,968,616)	(100,724)	(12,660,459)
Land Improvements	(626,992)		(626,992)	(93,498)		(720,490)
Total accumulated depreciation	(28,972,590)	(325,468)	(29,298,058)	(5,021,982)	(100,724)	(34,219,316)
Total capital assets, being depreciated, net	157,075,003	14,696,152	171,771,155	4,928,501	1,336	176,698,320
Business-type activities capital assets, net	<u>\$203,994,445</u>	<u>\$14,696,152</u>	<u>\$218,690,597</u>	<u>\$42,248,588</u>	<u>\$5,209,687</u>	<u>\$255,729,498</u>

Depreciation expense was charged to functions/programs as follows.

Governmental Activities:

General government	\$304,898
Public safety	1,183,493
Public works	7,134,897
Culture and recreation	918,364
Economic development	28,118
Total depreciation expense – governmental activities	<u>\$9,569,770</u>

Business-Type Activities:

Event center	\$867,559
Water	2,065,735
Wastewater	2,088,688
Total depreciation expense – business-type activities	<u>\$5,021,982</u>

Construction Commitments - As of June 30, 2009, the City was involved in several construction projects. The estimated cost to complete the construction projects is \$217,513,750.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 10 to 15 year serial bonds with varying amounts of principal maturing each year. General Obligation bonds outstanding as reported in governmental activities at June 30, 2009 were as follows.

	Outstanding June 30, 2009
Governmental Activities General Obligation Bonds:	
\$5,000,000 General Obligation, Series 2002, due in annual installments of \$250,000 to \$600,000 through 08/01/2014; interest at 3.6 percent to 5.0 percent	\$1,575,000
\$5,500,000 General Obligation, Series 2004, due in annual installments of \$75,000 to 725,000 through 08/01/2016; interest at 3.15 percent to 4.0 percent	4,050,000
\$7,000,000 General Obligation, Series 2006, due in annual installments of \$300,000 to \$1,150,000 through 08/01/2018; interest at 4.0 percent to 5.0 percent	5,450,000
\$25,000,000 General Obligation, Series 2009, due in annual installments of \$1,500,000 to \$2,175,000 through 08/01/2021; interest at 2.5 percent to 4.0 percent	25,000,000
Total Governmental Activities General Obligation Bonds	<u>\$36,075,000</u>

B. Gross Receipts Tax Revenue Bonds

Gross receipts tax revenue bonds are issued specifically for the acquisition and construction of major capital facilities. These bonds are secured by a pledge of gross receipts tax revenue. Gross receipts tax revenue bonds outstanding as reported in governmental activities at June 30, 2009 were as follows.

	Outstanding June 30, 2009
Governmental Activities Revenue Bonds:	
\$4,465,000 Gross Receipts Tax Refunding Bonds, Series 2003, due in annual installments of \$300,000 to \$615,000, through 06/1/2012; interest at 2.75 percent to 4.132 percent	\$1,510,000
\$18,130,000 Gross Receipts Tax Bonds, Series 2005, due in annual installments of \$210,000 to \$1,625,000, through 06/01/2025; interest at 3.0 percent to 5.0 percent	17,135,000
Total Governmental Activities Revenue Bonds	<u>\$18,645,000</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

C. Water and Wastewater Revenue Bonds

Water and Wastewater revenue bonds are issued and authorized by the governing body to provide funds to acquire and construct certain improvements to the water and wastewater systems of the City and to pay the costs incurred in connection with the issuance of the bonds. These bonds are secured by a pledge of revenues of the systems, and do not constitute a general obligation of the City backed by the general taxing authority. Water and Wastewater system revenue bonds outstanding as reported in business-type activities at June 30, 2009 were as follows.

	<u>Outstanding June 30, 2009</u>
Business-Type Activities Revenue Bonds:	
\$4,395,000 Water & Wastewater System Bonds, Series 2004, due in annual installments of \$170,000 to \$310,000 through 05/15/2024; interest at 2.375 percent to 4.5 percent	\$3,570,000
\$21,225,000 Water & Wastewater System Bonds, Series 2005, due in annual installments of \$715,000 to \$1,580,000 through 05/15/2025; interest at 3.25 percent to 5.0 percent	18,150,000
\$32,930,000 Water & Wastewater System Bonds, Series 2007, due in annual installments of \$310,000 to \$3,235,000 through 05/15/2032; interest at 4.0 percent to 4.5 percent	32,300,000
\$13,240,000 Water & Wastewater System Bonds, Series 2008, due in annual installments of \$255,000 to \$830,000 through 05/15/2034; interest at 3.0 percent to 4.5 percent	12,985,000
\$57,990,000 Water & Wastewater System Refunding Bonds, Series 2009, due in annual installments of \$3,790,000 to \$5,710,000 through 05/15/2022; interest at 4.4 percent to 5.3 percent	<u>57,990,000</u>
Total Business-Type Activities Revenue Bonds	<u>\$124,995,000</u>

D. Event Center Revenue Bonds

The Event Center revenue bonds are issued to provide for acquiring land for, and designing, purchasing, constructing, remodeling, rehabilitation, renovation, improving, equipping and furnishing, a municipal event center. These bonds are secured by a pledge of revenues from rentals, receipts, fees or other charges imposed from the event center. Event center revenue bonds outstanding as reported in business-type activities at June 30, 2009 were as follows.

	<u>Outstanding June 30, 2009</u>
Business-Type Activities Revenue Bonds:	
\$35,750,000 Taxable Event Center Revenue Bonds, Series 2005, due in annual installments of \$1,120,000 to \$2,735,000 through 05/15/2027; interest at 4.20 percent to 5.15 percent	<u>\$33,465,000</u>
Total Business-Type Activities Revenue Bonds	<u>\$33,465,000</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

E. Note Payable

The City has entered into intercept agreements with the State of New Mexico Finance Authority (NMFA) for the purchase of capital equipment and facilities. Notes payable outstanding as reported in the governmental activities at June 30, 2009 were as follows.

	Outstanding June 30, 2009
Governmental Activities Revenue Bonds:	
\$1,371,188 Note Payable, Golf Course Road, due in annual installments of \$41,214 to \$99,075 through 05/01/2017; interest at 2.71 percent to 4.90 percent.	\$261,907
\$1,649,286 Note Payable, Fire Equipment, due in annual installments of \$35,000 to \$146,015 through 05/01/2022; interest at 3.32 percent to 3.91 percent	1,524,662
\$231,639 Note Payable, Street Sweeper, due in annual installments of \$68,137 to \$82,800 through 05/01/2011; interest at 2.32 percent to 2.90 percent	150,052
\$5,217,100 Note Payable, HP Project, due in annual installments of \$157,100 to \$400,000 through 06/01/2028; interest at 4.0 percent to 5.2 percent	5,060,000
\$4,669,000 Note Payable, HS Road Project, due in annual installments of \$205,000 to \$365,000 through 06/01/2028; interest at 1.6 percent to 5.3 percent	4,669,000
Total Notes Payable	<u>\$11,665,621</u>

F. Loan Payable

A loan was issued by the New Mexico Environment Department under the Clean Water State Revolving Loan Fund, which is also known as the Wastewater Facility Construction Loan Program. The loan proceeds were used for wastewater treatment system upgrades to increase capacity, biological nutrient removal and other approved wastewater treatment improvements. Loan payable outstanding as reported in the business-type activities at June 30, 2009 were as follows.

	Outstanding June 30, 2009
Business-Type Activities Loan Payable:	
\$10,486,627 Note Payable, Wastewater Facility Construction, due in annual installments of \$426,456 to \$684,336 through 12/02/2023; interest at 3.0 percent.	\$7,962,219
\$70,000 Note Payable, Water Project Fund Loan, due in annual installments of \$3,417 to \$3,584 through 06/01/2039; no interest	70,000
Total Loan Payable	<u>\$8,032,219</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

G. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$14,325,000	\$25,000,000	\$3,250,000	\$36,075,000	\$3,200,000
Revenue bonds	19,445,000		800,000	18,645,000	825,000
Notes payable	2,520,283	9,886,100	740,762	11,665,621	439,509
Compensated absences	3,952,186	3,379,319	2,733,467	4,598,036	4,598,036
Totals	<u>\$40,242,469</u>	<u>\$38,265,419</u>	<u>\$7,524,229</u>	<u>\$70,983,657</u>	<u>\$9,062,545</u>
Business-Type Activities:					
Revenue bonds	\$154,200,000	\$71,230,000	\$66,970,000	\$158,460,000	\$6,635,000
Loan payable	8,414,645	70,000	452,427	8,032,219	469,418
Compensated absences	68,353	91,053	95,054	64,352	64,352
Totals	<u>\$162,682,998</u>	<u>\$71,391,053</u>	<u>\$67,517,481</u>	<u>\$166,556,571</u>	<u>\$7,168,770</u>

H. Refunding and Partial Defeasance

The following refunding activity occurred during the year ended June 30, 2009:

On June 17, 2009, the City issued a Series 2009 Water and Wastewater Refunding Revenue Bond, with a principal amount of \$57,990,000 to finance capital projects. The difference in cash flow required between the prior debt service requirements and the new funding debt service requirements resulting is a cash flow saving of \$2,619,045. The economic gain, or present value savings, was \$5,294,673.

The refunding was paid in the last quarter of the fiscal year 2009.

The following partial defeasance occurred during the year ending June 30, 2009:

On August 21, 2008, the City partially defeased the General Obligation Bonds, Series 2002. On the day of closing, \$1,142,595 representing the amount necessary to defease the 2013 and 2014 maturities in their entirety plus accrued interest for the outstanding 2002 Bonds were wired to an escrow account maintained by the Bank of Oklahoma who will act as the escrow agent. The call date for the bond is August 1, 2010.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

I. Special Assessment Bonds

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public action and the proceeds are used to offset the defaulted assessment.

As trustee for improvement districts, the City is solely responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is not obligated in any manner to pay the debt service payments on the Special Assessment Bonds with any general or other funds of the City. Special assessment bonds payable at June 30, 2009 were \$6,396,195.

J. Statutory Debt Limitation

The Constitution of the State of New Mexico limits the amount of general purpose government obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2009, based on the most recent assessed taxable valuation of \$2,168,284,909 the City may issue an additional \$50,656,396 of general purpose general obligation bonds.

K. Bond Covenants

Pursuant to certain bond indenture agreements, the City is obligated to various limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds and minimum revenue bond coverage's. The City is in compliance with all such significant limitations and restrictions.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

L. Debt Service Requirements to Maturity

The following is a summary of debt service requirements to maturity, which includes interest, for all bonds and loans payable as of June 30, 2009.

Years ended June 30,	Governmental Activities						Total
	General Obligation Bonds		Revenue Bonds		Notes Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$3,200,000	\$980,551	\$825,000	\$871,180	\$439,509	\$536,118	\$6,852,358
2011	3,300,000	1,124,000	860,000	837,393	439,036	519,515	7,079,944
2012	3,700,000	1,011,188	885,000	808,374	567,227	502,472	7,474,261
2013	2,650,000	909,113	920,000	775,074	508,453	481,380	6,244,020
2014	2,550,000	788,120	955,000	738,274	527,353	462,750	6,021,497
2015-2019	14,850,000	2,420,419	5,545,000	2,933,439	2,972,693	1,964,718	30,686,269
2020-2024	5,825,000	342,500	7,030,000	1,444,469	3,372,350	1,218,338	19,232,657
2025-2028			1,625,000	71,094	2,839,000	364,850	4,899,944
Total	\$36,075,000	\$7,575,891	\$18,645,000	\$8,479,297	\$11,665,621	\$6,050,141	\$88,490,950

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

Years ended June 30,	Business-Type Activities				Total
	Revenue Bonds		Notes Payable		
	Principal	Interest	Principal	Interest	
2010	\$6,635,000	\$6,850,531	\$469,417	\$239,049	\$14,193,997
2011	6,620,000	6,843,521	483,405	225,053	14,171,979
2012	6,835,000	6,627,954	497,814	210,645	14,171,413
2013	7,050,000	6,408,848	512,653	195,805	14,167,306
2014	7,345,000	6,121,880	527,939	180,520	14,175,339
2015-2019	41,755,000	25,651,999	2,885,496	656,797	70,949,292
2020-2024	43,700,000	14,925,993	2,637,665	217,016	61,480,674
2025-2029	25,430,000	6,093,839	17,830	17,830	31,559,499
2030-2034	13,090,000	1,382,575			14,472,575
Total	\$158,460,000	\$80,907,140	\$8,032,219	\$1,942,715	\$249,342,074

M. Arbitrage on Tax Exempt Bonds

Prior to the Tax Reform Act (TRA) of 1986, State and Local governments had up to three years to use the proceeds from tax exempt bonds issued by them before arbitrage on such proceeds had to be paid to the Treasury Department. Arbitrage, as defined, is the excess interest earned by a State or Local government on proceeds from the sale of its bonds over interest paid to bond holders.

TRA 1986 required rebate of such arbitrage to the Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – LONG-TERM LIABILITIES (Concl'd)

The Revenue Reconciliation Act of 1989 amended the six-month rule. For bonds issued after December 19, 1989, the rebate requirement does not apply if: 1) all of the gross proceeds of the issue, other than the reserve fund, are spent within the six month period. The term gross proceeds for the purposes of the rule include both the sale proceeds received from the bond purchase on the issue date and investment earnings on such proceeds during the six-month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

The following is a schedule of bond issues, along with the bond year ends and arbitrage rebate due dates. The City has had the first arbitrage computation for the bonds, completed as indicated:

	First Computation Date	First Payment Due to IRS	First Computation of Arbitrage Completed
Revenue Bond Water & Waste Water Series 1999	6/30/09	None	X
Water & Wastewater System Bonds, Series 2004	6/30/09	None	X
Water & Wastewater System Bonds, Series 2005	6/30/09	6/30/10	X
Water & Wastewater System Bonds, Series 2007	6/30/07	None	X
Gross Receipts Tax Refunding Bond, Series 2003	6/30/09	None	X
Gross Receipts Tax Bonds, Series 2005	6/30/09	6/30/10	X
General Obligations, Series 2006	6/30/09	5/31/10	X

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 – OPERATING LEASES

The City has entered into noncancelable operating leases for computers and office equipment. The operating lease expenditures for the year ended June 30, 2009 were \$1,109,172. The minimum lease payments are as follows.

Year ending June 30:	
2010	\$399,295
2011	387,163
2012	320,157
2013	<u>2,557</u>
Total	<u>\$1,109,172</u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2009, interfund balances were as follows.

Due to/from other funds:

At June 30, 2009, Non-Major Governmental Funds had a \$879,517 interfund payable with the General Fund. These balances resulted from negative cash balances. All interfund balances are expected to be paid within one year.

Interfund transfers:

		Transfer in	
		Non-Major Governmental Funds	Total
	General Fund		
Transfer out	General Fund	\$1,140,564	\$1,140,564
	Non-Major Governmental	<u>1,443,554</u>	<u>403,451</u>
	Total	<u>\$1,443,554</u>	<u>\$1,544,015</u>
			<u>\$2,987,569</u>

Interfund transfers were made by the City during the fiscal year to meet project-matching requirements to cover expenditures in the applicable funds. The circumstances that require budget transfers are many. In some cases, the responsibility for implementing a program is changed from one department to another. Management continually strives to make the organization more efficient, and budget transfers assist in achieving efficiency.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 8 - CONTINGENT LIABILITIES

Federal and State grants and loans - The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2009; however, the City expects no material disallowance of expenditures.

Lawsuits - The City is a defendant in a number of lawsuits as of June 30, 2009. It is the opinion of management and City counsel that the amount of losses resulting from these litigations at June 30, 2009, would not be material to the financial position of the City.

NOTE 9 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances - At June 30, 2009, the following individual non-major funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Funds:	
Fire Protection	\$1,826
Summer Lunch Program	26,456
DPS Grants	1,248
Domestic Violence Response	53,930
HUD - CDBG	89,215
Crime Victims Assistance	10,589
State Appropriation Capital Projects	246,574

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2009-10 are expected to eliminate the deficits.

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1985, the City was unable to obtain general property, worker's compensation and liability insurance at a cost it considered to be economically justifiable. Therefore, the City joined the New Mexico Self-Insurers' Fund Risk Pool (Pool), together with other cities and towns in the State. The Pool is a public entity risk pool currently operating as a common risk management and insurance program for member cities and towns. The City paid an annual premium of \$1,088,084 to the Pool for its general insurance coverage during the fiscal year. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the annual aggregate per policy for general liability, property, and workers' compensation claims.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 10 - RISK MANAGEMENT (Concl'd)

The City carries commercial insurance for all other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 - RETIREMENT PLAN

Plan Description – Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees' Retirement Act (Chapter 10, Article II NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit public employee retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost of living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy – Plan members are required to contribute between 2.29% and 4.07% of their gross salary, depending upon the division worked in by the employee. The City is required to contribute between 6.86% and 21.25% of the gross covered salary depending upon the division worked in by the employee. The contribution requirements of the plan members and the City are established under State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the years ended 2009, 2008, and 2007 were \$6,004,854, \$5,518,654 and \$4,605,773, respectively, which were equal to the amount of the required contributions for each year.

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description – The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 12 – POST-EMPLOYMENT BENEFITS (Concl'd)

and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two year; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy – The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The City's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$353,428, \$325,739 and \$0, respectively, which equal the required contributions for each year.

NOTE 13 – ACCOUNTING RESTATEMENT

The July 1, 2008, beginning net assets of the business-type activities on the government-wide financial statements and the Utilities Fund and in the fund financials do not agree with the prior year financial statements due to a correction of an error for the additions of contributed wastewater treatments plants. The result of the restatement on net assets was \$15,021,620 less accumulated depreciation of \$325,468 for a net increase of \$14,696,152 in beginning net assets.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 14 – SUBSEQUENT EVENTS

The City is in the process of expending \$10.0 million for the construction of an Aquatics center that was funded through a general obligation bond issued in 2006. Pulte Homes also contributed \$3.0 towards this project.

On July 16, 2009, the City entered into an agreement for improvements in Special Assessment District No. 7A, to include certain street, water, sanitary sewer, storm drainage and private utility improvements within the district, payable from district special assessments. The projected cost of construction is \$5.5 million. The City is not obligated in any manner to pay the debt service payments on the Special Assessment bonds with any general or other funds of the City.

On August 7, 2009, the City entered into an agreement with the Department of Finance and Administration and the New Mexico Economic Development Department pursuant to Laws of 2009, Chapter 125, Section 22 item 3, Severance Tax Bonds in the amount of \$6.0 million for infrastructure development, design and construction of a technical support center in Rio Rancho, minus 1% for Arts in Public Places, not to exceed \$5.9 million.

On September 11, 2009, the City entered into an agreement for improvements in Special Assessment District No. 8, to include certain street, water, sanitary sewer, storm drainage and private utility improvements within the district, payable from district special assessments. The projected cost of construction is \$1.2 million. The City is not obligated in any manner to pay the debt service payments on the Special Assessment bonds with any general or other funds of the City.

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**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 7,383,488	\$ 4,207,552	\$ 13,825,873	\$ 25,416,913
Property taxes receivable		413,311		413,311
Accounts receivable	35,803		228,647	264,450
Due from federal government	362,105		1,351,758	1,713,863
Due from state government	601,668	361,106	761,312	1,724,086
Total assets	\$ 8,383,064	\$ 4,981,969	\$ 16,167,590	\$ 29,532,623
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 533,401	\$	\$ 1,511,681	\$ 2,045,082
Accrued payroll	882			882
Accrued interest payable	10,724	349,629	1,978	362,331
Due to other funds	539,458		340,059	879,517
Deferred revenue	76,387	355,950	213,273	645,610
Total liabilities	1,160,852	705,579	2,066,991	3,933,422
Fund balances:				
Unreserved:				
Undesignated	7,222,212	4,276,390	14,100,599	25,599,201
Total fund balances	7,222,212	4,276,390	14,100,599	25,599,201
Total liabilities and fund balances	\$ 8,383,064	\$ 4,981,969	\$ 16,167,590	\$ 29,532,623

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$ 3,797,375	\$ 4,135,583	\$ 262,890
Municipal and state shared taxes	1,561,662	1,821,293	2,246,350
Intergovernmental federal	1,078,399		1,847,822
Intergovernmental state	35,416		10,000
Intergovernmental county			1,312,729
Impact fees			
Charges for services	601,912		
Fines and forfeits	90,055		
Franchise fees	141,800		
Contributions and donations	60,493		21,000
Investment income	70,490	16,844	142,092
Other revenues	331,720	23,825	586,616
Total revenues	<u>7,769,322</u>	<u>5,997,545</u>	<u>6,429,499</u>
Expenditures:			
Current -			
General government	321,166		124,187
Public safety	1,911,935		
Public works	1,648,734		1,314,115
Culture and recreation	974,146		61,507
Economic development	730,486		
Other expenses		11,500	
Capital outlay	1,166,474		10,269,157
Debt service -			
Principal	171,211	4,207,100	412,451
Interest and fiscal charges	60,249	1,754,470	25,024
Total expenditures	<u>6,984,401</u>	<u>5,973,070</u>	<u>12,206,441</u>
Excess (deficiency) of revenues over expenditures	<u>784,921</u>	<u>24,475</u>	<u>(5,776,942)</u>
Other financing sources (uses):			
Loan proceeds			9,886,100
Transfers in	990,564	403,451	150,000
Transfers out	(307,427)		(1,539,578)
Total other financing sources (uses)	<u>683,137</u>	<u>403,451</u>	<u>8,496,522</u>
Change in fund balances	<u>1,468,058</u>	<u>427,926</u>	<u>2,719,580</u>
Fund balances, beginning of year	5,754,154	3,848,464	11,381,019
Fund balances, end of year	<u>\$ 7,222,212</u>	<u>\$ 4,276,390</u>	<u>\$ 14,100,599</u>

Total
Non-Major
Governmental
Funds

\$	4,135,583
	5,881,558
	3,808,012
	2,926,221
	45,416
	1,312,729
	601,912
	90,055
	141,800
	81,493
	229,426
	942,161
	<u>20,196,366</u>

	445,353
	1,911,935
	2,962,849
	1,035,653
	730,486
	11,500
	<u>11,435,631</u>

	4,790,762
	<u>1,839,743</u>
	<u>25,163,912</u>

	<u>(4,967,546)</u>
--	--------------------

	9,886,100
	1,544,015
	<u>(1,847,005)</u>
	<u>9,583,110</u>

	<u>4,615,564</u>
--	------------------

	20,983,637
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\$	<u><u>25,599,201</u></u>
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NON-MAJOR GOVERNMENTAL FUNDS

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Donations Fund - To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purposes specified by the donor. (Provided for by City Budget Resolution.)

Aquatics Swim Team Fund – To account for fees for the USS swim team to be facilitated at the indoor aquatic center. (Provided for by City Budget Resolution)

Recreation Activities and Vending Fund – To account for revenues received for recreation fees and vending machines placed in City facilities. Expenditures may be used for programs and activities, such as, classes and softball programs and various community projects. (Provided for by City Budget Resolution.)

Recreation Fund – To account for revenues collected from taxes on cigarettes sold within City boundaries pursuant to the Cigarette Tax Act, NMSA 7-12-1 and 7-12-15. Expenditures from this fund may be used for recreational facilities and salaries of employees necessary for the operation of such facilities.

Keep Rio Rancho Beautiful Grant Fund – To account for New Mexico Clean & Beautiful Litter Control & Beautification grant funds. Expenditures may be used for equipment, landscaping, program promotion, recycling, education, and anti-graffiti programs. (Pursuant to NMSA, Section 62-16-1 to 67-16-14.)

Community Response Program Fund – To account for Community Emergency Response Team federal grant funds. Expenditures from this fund may be used to find, train, equip and maintain citizen volunteer teams to respond to and support emergency operations. (Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended 42 U.S.C. 5121 et seq.)

Workers Compensation Fund – To account for revenues from other funds for the purpose of self funding workers compensation insurance administered by the New Mexico Self Insurance Fund. (Provided for by City Budget Resolution)

Senior Services Fund – To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purpose specified by the donor. (Provided for by City Budget Resolution.)

Library Fund – To account for grants, gifts, donations, devises or bequests made to the City, pursuant to NMSA 3-18-4, for the purpose of establishing, increasing or improving the library.

Promotion and Marketing Fund – To account for promotional activities. Expenditures fro this fund may be used for special events; promoting convention, exposition or entertainment facilities; or advertising and marketing facilities. (Provided for by City Budget Resolution.)

NON-MAJOR GOVENMENTAL FUNDS

SPECIAL REVENUE FUNDS (Cont'd)

Rio Rancho Convention & Visitors Bureau Fund – To account for revenues collected from occupancy taxes (3%) levied within City boundaries pursuant to NMSA 3-38-15. Expenditures from this fund may be used for acquiring, constructing, improving, establishing, and operating convention, exposition or entertainment facilities; acquiring or obtaining an interest in such facilities; or advertising, publicizing, and promoting such facilities.

Rio Vision Cable Fund - To account for cable franchise fees (2%) received to operate and promote a public access television channel. (Provided for by City Budget Resolution.)

Local Government Corrections Fund – To account for revenues collected from the assessment for correction fees and court costs, pursuant to NMSA 35-14-11. Expenditures from this fund may be used for municipal jailer or juvenile detention officer training; for planning, construction, operating and maintaining a municipal jail for juveniles in a detention facility; or for complying with match or contribution requirements for the receipt of Federal funds relating to jailing or juvenile detention facilities.

Law Enforcement Fund – To account for State revenues received pursuant to the Law Enforcement Corrections Act, NMSA 29-13-3. Expenditures from this fund may be used for the repair and purchase of law enforcement apparatus and equipment, expenditures associated with advanced law enforcement planning and training, and complying with match or contribution requirements for receipt of Federal funds, and salaries for law enforcement personnel under certain conditions.

DPS Enforcement Aid Fund – To account for revenue generated from asset forfeitures obtained through narcotics investigations. These revenues can be utilized for officer overtime, police equipment, undercover vehicles, purchase of evidence, training and other narcotic investigation related expenses. (Pursuant to the Attorney General's Guidelines on Seized and Forfeited Property, July 1990.)

Traffic Education and Enforcement Aid Fund – To account for revenues received from the New Mexico Traffic Bureau for DWI checkpoint enforcement and safety belt enforcement. (Pursuant to NMSA 66-7-501 to 511)

Fire Protection Fund – To account for State revenues received pursuant to the Fire Protection Fund Law, NMSA 59A-53-1. Expenditures from this fund may be used for the purchase, construction, operating, and maintenance of fire stations, except for the station's water supply system; fire apparatus and equipment; the payment of insurance premiums on the above; and for insurance premiums for injuries or death of firefighters.

Emergency Medical Services (EMS) Fund – To account for State revenues received to the Emergency Medical Services Fund Act, 59A-53-1. Expenditures from this fund may be used for the establishment of emergency medical services; to acquire emergency medical services vehicles, equipment and supplies; and for training and licensing of local emergency management services personnel.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Cont'd)

Summer Lunch Program Fund – To account for the US Department of Agriculture's Summer Food Service Program (SFSP) administered through the Children Youth and Families Department of the State of New Mexico. The New Mexico SFSP is the single largest federal resource available for local organizations that want to combine a lunch program with a summer activity program for children. The SFSP provides free, nutritious meals and snacks to help children in low-income areas get the nutrition throughout the summer months when they are out of school. (Richard B. Russell National School Lunch Act, Section 9, 13, and 14, as amended, 42 U.S.C. 1758, 1761 and 1762a)

DPS Grants Fund – To account for the following Federal and State grants: Operation DWI, Operation Buckle Down, Community DWI, Selective Traffic Enforcement Project (STEP), and NM Gang Task Force (NMGTTF). (Pursuant to Traffic Safety Act, NMSA 1978 sections 66-7-501 to 511, as amended and the Anti-Drug Abuse Act 1998, PL 100-690, Title VI, Subtitle C.)

Environmental Gross Receipts Tax Fund – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, operation, and maintenance of solid waste facilities, water facilities, sewer systems, and related facilities. (Pursuant to NMSA, 1978 section 7-20E-17.)

Higher Education Gross Receipts Tax Fund – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, renovation or improvement of facilities of a four-year post-secondary public education institution located in the municipality and acquisition of or improvements to land for those facilities or payment of municipal higher education facilities gross receipts tax revenue bonds issued. (Pursuant to Chapter 3, Article 31 NMSA 1978)

Municipal Road Fund – To account for revenues received from the levy of a tax per gallon of gasoline purchased within City boundaries, pursuant to the County and Municipal Gasoline Tax Act, NMSA 7-1-6.9. Expenditures from this fund may be used for the construction of a street, ally, curb, gutter or sidewalk projects.

Recreation Development Fund – To account for revenues received for the construction of park facilities. This fund is also used to account for transfers from the General Fund, grants and donations for the development and construction of park facilities. (Provided for by City Budget Resolution.)

Computer/Software Replacement Fund – To account for funds transferred from the General Fund to provide a recurring source of funds for replacing computers and general use software. (Provided for by City Budget Resolution)

Equipment Replacement Fund – To account for funds transferred from the General Fund, recognizing the depreciation of assets and to provide a recurring source of funds for vehicles. (Provided for by City Budget Resolution.)

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Concl'd)

Domestic Violence Response Fund – To account for federal funds used to encourage arrest policies and enforcement of protection orders. (Pursuant to 42 U.S.C. 3796hh-4)

HUD – CDBG Fund – To account for CDBG grant funds received to prepare an action plan to address issues of low to moderate-income residents. (Title I, Housing & Comm. Dev. Act, PL 92-383.)

Crime Victims Assistance Fund – To account for Federal funds used towards the advocacy for victims of all crimes. (Pursuant to the Victims of Crime Act of 1984.)

DEBT SERVICE FUNDS:

General Obligation Bonds Fund – To account for the debt service of the Parks and Recreation Bonds, Series 1992 and the Public Safety and Improvement Bonds, Series 1997.

Gross Receipts Tax Revenue Bonds Series 2003 Fund – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2003.

Gross Receipts Tax Revenue Bonds Series 2005 Fund – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2005.

HPLoan Fund – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

HSLoan Fund – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

CAPITAL PROJECT FUNDS:

Capital Projects Fund – To account for City facility construction and building improvements from General Fund transfers and intergovernmental grants.

HP Infrastructure Fund – To account for Central Business District infrastructure improvement projects including water, wastewater and roads within the governmental unit.

HS Infrastructure Fund – To account for infrastructure for the completion of the extension of Paseo del Volcan and the completion of the infrastructure pertaining to the new Rio Rancho High School within the governmental unit.

Infrastructure Fund – To account for capital (primarily infrastructure) acquisition, construction and repair from General Fund transfers and intergovernmental grants.

Building Improvement Fund – To account for funds transferred from the General Fund. Expenditures are used for maintenance, repair or replacement of municipal buildings.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS (Concl'd)

State Appropriation Fund – To account for state appropriation capital expenditures approved by the State of New Mexico.

Bond Construction 2004 – To account for proceeds received for construction of Loma Colorado site Library.

Bond Construction 2005 – To account for proceeds to be used for the construction of City Hall, City Maintenance Yard, and other City infrastructure needs.

Bond Construction 2006 – To account for proceeds received for construction of an Aquatic Center.

Road Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged roads, equipment and capital improvements which substantially benefit those developments which pay the impact fees.

Trails Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged bikeways, capital improvements, trails, and equipment which substantially benefit those developments which pay the impact fees.

Parks Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged parks, equipment and capital improvements, which substantially benefit those developments which pay the impact fees.

Public Safety Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing public safety capital improvements and equipment which substantially benefit those developments which pay the impact fees.

Drainage Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing a conveyance system adequate to accommodate the design storm from the farthest upstream property or City boundary to the receiving waters of the Rio Grande river.

Solid Waste Disposal – Indigent Fund – To account for contributions and donations to indigent individuals utilizing the City's solid waste program.

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2009

	Donations Fund	Aquatics Swim Team Fund	Recreation Activities and Vending Fund	Recreation Fund
<u>ASSETS</u>				
Cash and investments	\$ 46,890	\$ 688	\$ 88,929	\$ 40,818
Accounts receivable				
Due from federal government				
Due from state government				538
Total assets	<u>\$ 46,890</u>	<u>\$ 688</u>	<u>\$ 88,929</u>	<u>\$ 41,356</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 2,847	\$	\$ 10,975	\$
Accrued payroll				
Accrued interest payable				
Due to other funds				
Deferred revenue				
Total liabilities	<u>2,847</u>	<u></u>	<u>10,975</u>	<u></u>
Fund balances (deficits):				
Unreserved:				
Undesignated	44,043	688	77,954	41,356
Total fund balances	<u>44,043</u>	<u>688</u>	<u>77,954</u>	<u>41,356</u>
Total liabilities and fund balances	<u>\$ 46,890</u>	<u>\$ 688</u>	<u>\$ 88,929</u>	<u>\$ 41,356</u>

Keep Rio Rancho Beautiful Grant Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund	Library Fund	Promotion and Marketing Fund
\$	\$	\$ 391,506	\$ 24,421	\$ 1,529,866	\$ 10,522
	4,102				
22,769					1,714
<u>\$ 22,769</u>	<u>\$ 4,102</u>	<u>\$ 391,506</u>	<u>\$ 24,421</u>	<u>\$ 1,529,866</u>	<u>\$ 12,236</u>
\$	\$ 321	\$ 13,780	\$ 63	\$ 7,793	\$ 33
18,369	3,319				
<u>18,369</u>	<u>3,640</u>	<u>13,780</u>	<u>63</u>	<u>7,793</u>	<u>33</u>
4,400	462	377,726	24,358	1,522,073	12,203
<u>4,400</u>	<u>462</u>	<u>377,726</u>	<u>24,358</u>	<u>1,522,073</u>	<u>12,203</u>
<u>\$ 22,769</u>	<u>\$ 4,102</u>	<u>\$ 391,506</u>	<u>\$ 24,421</u>	<u>\$ 1,529,866</u>	<u>\$ 12,236</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2009
(Continued)

	Rio Rancho Convention & Visitors Bureau Fund	Rio Vision Cable Fund	Local Government Corrections Fund	Law Enforcement Fund
<u>ASSETS</u>				
Cash and investments	\$ 16,818	\$ 127,288	\$ 91,275	\$ 13,496
Accounts receivable		35,803		
Due from federal government				
Due from state government				
Total assets	<u>\$ 16,818</u>	<u>\$ 163,091</u>	<u>\$ 91,275</u>	<u>\$ 13,496</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 2,918	\$ 1,162	\$ 33,088	\$ 823
Accrued payroll				
Accrued interest payable				
Due to other funds				
Deferred revenue				
Total liabilities	<u>2,918</u>	<u>1,162</u>	<u>33,088</u>	<u>823</u>
Fund balances (deficits):				
Unreserved:				
Undesignated	13,900	161,929	58,187	12,673
Total fund balances	<u>13,900</u>	<u>161,929</u>	<u>58,187</u>	<u>12,673</u>
Total liabilities and fund balances	<u>\$ 16,818</u>	<u>\$ 163,091</u>	<u>\$ 91,275</u>	<u>\$ 13,496</u>

<u>DPS Enforcement Aid Fund</u>	<u>Traffic Education and Enforcement Aid Fund</u>	<u>Fire Protection Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Summer Lunch Program Fund</u>	<u>DPS Grants Fund</u>
\$ 121,609	\$ 36,363	\$ 95,696	\$ 2,544	\$ 44,536	\$
					235,690
					28,448
<u>\$ 121,609</u>	<u>\$ 36,363</u>	<u>\$ 95,696</u>	<u>\$ 2,544</u>	<u>\$ 44,536</u>	<u>\$ 264,138</u>
\$	\$	\$ 87,661	\$	\$ 26,456	\$
		9,861			265,386
17,864				44,536	
<u>17,864</u>		<u>97,522</u>		<u>70,992</u>	<u>265,386</u>
103,745	36,363	(1,826)	2,544	(26,456)	(1,248)
<u>103,745</u>	<u>36,363</u>	<u>(1,826)</u>	<u>2,544</u>	<u>(26,456)</u>	<u>(1,248)</u>
<u>\$ 121,609</u>	<u>\$ 36,363</u>	<u>\$ 95,696</u>	<u>\$ 2,544</u>	<u>\$ 44,536</u>	<u>\$ 264,138</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2009
(Concluded)

	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Recreation Development Fund
<u>ASSETS</u>				
Cash and investments	\$ 1,804,464	\$ 1,773,367	\$ 323,274	\$ 779,253
Accounts receivable				
Due from federal government				
Due from state government	113,367	377,790	57,042	
Total assets	<u>\$ 1,917,831</u>	<u>\$ 2,151,157</u>	<u>\$ 380,316</u>	<u>\$ 779,253</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 296,621	\$	\$ 39,171	\$ 895
Accrued payroll				
Accrued interest payable			863	
Due to other funds				
Deferred revenue				
Total liabilities	<u>296,621</u>	<u></u>	<u>40,034</u>	<u>895</u>
Fund balances (deficits):				
Unreserved:				
Undesignated	1,621,210	2,151,157	340,282	778,358
Total fund balances	<u>1,621,210</u>	<u>2,151,157</u>	<u>340,282</u>	<u>778,358</u>
Total liabilities and fund balances	<u>\$ 1,917,831</u>	<u>\$ 2,151,157</u>	<u>\$ 380,316</u>	<u>\$ 779,253</u>

Computer/ Software Replacement Fund	Equipment Replacement Fund	Domestic Violence Response Fund	HUD - CDBG Fund	Crime Victims Assistance Fund	Totals
\$ 19,795	\$ 70	\$	\$	\$	\$ 7,383,488
					35,803
			122,313		362,105
					601,668
<u>\$ 19,795</u>	<u>\$ 70</u>	<u>\$</u>	<u>\$ 122,313</u>	<u>\$</u>	<u>\$ 8,383,064</u>
\$	\$	\$ 172	\$ 8,622	\$	\$ 533,401
				882	882
					10,724
		40,618	202,906	8,860	539,458
		13,140		847	76,387
		<u>53,930</u>	<u>211,528</u>	<u>10,589</u>	<u>1,160,852</u>
19,795	70	(53,930)	(89,215)	(10,589)	7,222,212
<u>19,795</u>	<u>70</u>	<u>(53,930)</u>	<u>(89,215)</u>	<u>(10,589)</u>	<u>7,222,212</u>
<u>\$ 19,795</u>	<u>\$ 70</u>	<u>\$</u>	<u>\$ 122,313</u>	<u>\$</u>	<u>\$ 8,383,064</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS
JUNE 30, 2009

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2003 Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund	HP Loan Fund
<u>ASSETS</u>				
Cash and investments	\$ 4,080,265	\$ 13,017	\$ 77,475	\$ 19,613
Property taxes receivable	413,311			
Due from state government		107,833	183,333	69,940
Total assets	\$ 4,493,576	\$ 120,850	\$ 260,808	\$ 89,553
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accrued interest payable	\$ 243,868	\$ 4,267	\$ 64,950	\$ 19,437
Deferred revenue	355,950			
Total liabilities	599,818	4,267	64,950	19,437
Fund balances:				
Unreserved:				
Undesignated	3,893,758	116,583	195,858	70,116
Total fund balances	3,893,758	116,583	195,858	70,116
Total liabilities and fund balances	\$ 4,493,576	\$ 120,850	\$ 260,808	\$ 89,553

<u>HS Loan Fund</u>	<u>Totals</u>
\$ 17,182	\$ 4,207,552
	413,311
	361,106
<u>\$ 17,182</u>	<u>\$ 4,981,969</u>

\$ 17,107	\$ 349,629
	355,950
<u>17,107</u>	<u>705,579</u>

<u>75</u>	<u>4,276,390</u>
<u>75</u>	<u>4,276,390</u>

<u>\$ 17,182</u>	<u>\$ 4,981,969</u>
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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2009

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund	Infrastructure Fund
<u>ASSETS</u>				
Cash and investments	\$ 147,687	\$ 3,178,498	\$ 3,248,606	\$ 2,069,060
Accounts receivable	227,945			
Due from federal government				1,351,758
Due from state government				611,701
Total assets	<u>\$ 375,632</u>	<u>\$ 3,178,498</u>	<u>\$ 3,248,606</u>	<u>\$ 4,032,519</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$ 232,273	\$ 848,951	\$ 349,904
Accrued interest payable				
Due to other funds				
Deferred revenue				188,963
Total liabilities		<u>232,273</u>	<u>848,951</u>	<u>538,867</u>
Fund balances (deficits):				
Unreserved:				
Undesignated	375,632	2,946,225	2,399,655	3,493,652
Total fund balances	<u>375,632</u>	<u>2,946,225</u>	<u>2,399,655</u>	<u>3,493,652</u>
Total liabilities and fund balances	<u>\$ 375,632</u>	<u>\$ 3,178,498</u>	<u>\$ 3,248,606</u>	<u>\$ 4,032,519</u>

Building Improvement Fund	State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2005 Fund	Bond Construction 2006 Aquatics Fund	Road Impact Fees Fund
\$ 592,273 702	\$	\$ 12,465	\$ 77,317	\$ 121,367	\$ 1,726,786
	149,611				
<u>\$ 592,975</u>	<u>\$ 149,611</u>	<u>\$ 12,465</u>	<u>\$ 77,317</u>	<u>\$ 121,367</u>	<u>\$ 1,726,786</u>
\$	\$ 31,816	\$	\$ 45,760	\$	\$ 2,781 1,978
	340,059				
	24,310				
	<u>396,185</u>		<u>45,760</u>		<u>4,759</u>
<u>592,975</u>	<u>(246,574)</u>	<u>12,465</u>	<u>31,557</u>	<u>121,367</u>	<u>1,722,027</u>
<u>592,975</u>	<u>(246,574)</u>	<u>12,465</u>	<u>31,557</u>	<u>121,367</u>	<u>1,722,027</u>
<u>\$ 592,975</u>	<u>\$ 149,611</u>	<u>\$ 12,465</u>	<u>\$ 77,317</u>	<u>\$ 121,367</u>	<u>\$ 1,726,786</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2009
(Concluded)

	Trail Impact Fees Fund	Park Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund
<u>ASSETS</u>				
Cash and investments	\$ 123,191	\$ 1,001,888	\$ 582,967	\$ 933,312
Accounts receivable				
Due from federal government				
Due from state government				
Total assets	<u>\$ 123,191</u>	<u>\$ 1,001,888</u>	<u>\$ 582,967</u>	<u>\$ 933,312</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$ 196	\$	\$
Accrued interest payable				
Due to other funds				
Deferred revenue				
Total liabilities		<u>196</u>		
Fund balances (deficits):				
Unreserved:				
Undesignated	<u>123,191</u>	<u>1,001,692</u>	<u>582,967</u>	<u>933,312</u>
Total fund balances	<u>123,191</u>	<u>1,001,692</u>	<u>582,967</u>	<u>933,312</u>
Total liabilities and fund balances	<u>\$ 123,191</u>	<u>\$ 1,001,888</u>	<u>\$ 582,967</u>	<u>\$ 933,312</u>

Solid Waste Disposal- Indigent Fund	Totals
\$ 10,456	\$ 13,825,873
	228,647
	1,351,758
	761,312
<u>\$ 10,456</u>	<u>\$ 16,167,590</u>

\$	\$ 1,511,681
	1,978
	340,059
	213,273
	<u>2,066,991</u>

<u>10,456</u>	<u>14,100,599</u>
<u>10,456</u>	<u>14,100,599</u>
<u>\$ 10,456</u>	<u>\$ 16,167,590</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2009

	<u>Donations Fund</u>	<u>Aquatics Swim Team Fund</u>	<u>Recreation Activities and Vending Fund</u>
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			
Intergovernmental state			
Intergovernmental county			
Charges for services	36,961		292,477
Fines and forfeits	1,057		
Franchise fees			
Contributions and donations	9,705		
Investment income	68	2	106
Other revenues		38,759	424
Total revenues	<u>47,791</u>	<u>38,761</u>	<u>293,007</u>
Expenditures:			
Current -			
General government			
Public safety	37,376		
Public works			
Culture and recreation	9,500	38,073	254,033
Economic development			
Capital outlay			
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>46,876</u>	<u>38,073</u>	<u>254,033</u>
Excess (deficiency) of revenues over expenditures	<u>915</u>	<u>688</u>	<u>38,974</u>
Other financing sources (uses):			
Transfers in			
Transfers out			(7,500)
Total other financing sources (uses)			<u>(7,500)</u>
Change in fund balances	<u>915</u>	<u>688</u>	<u>31,474</u>
Fund balances (deficits), beginning of year	43,128		46,480
Fund balances (deficits), end of year	<u>\$ 44,043</u>	<u>\$ 688</u>	<u>\$ 77,954</u>

<u>Recreation Fund</u>	<u>Keep Rio Rancho Beautiful Grant Fund</u>	<u>Community Response Program Fund</u>	<u>Workers Compensation Fund</u>	<u>Senior Services Fund</u>	<u>Library Fund</u>
\$ 15,222	\$	\$ 20,014	\$	\$	\$
	56,734			171,859	110,700
				4,000	
				11,356	
				2,568	31,470
53			333	33	23,080
	5,000		248,354		186
<u>15,275</u>	<u>61,734</u>	<u>20,014</u>	<u>248,687</u>	<u>189,816</u>	<u>165,436</u>
			320,961		
		20,058			
	57,168			21,740	337,044
				132,516	16,449
	<u>57,168</u>	<u>20,058</u>	<u>320,961</u>	<u>154,256</u>	<u>353,493</u>
<u>15,275</u>	<u>4,566</u>	<u>(44)</u>	<u>(72,274)</u>	<u>35,560</u>	<u>(188,057)</u>
			450,000		
			<u>450,000</u>		
<u>15,275</u>	<u>4,566</u>	<u>(44)</u>	<u>377,726</u>	<u>35,560</u>	<u>(188,057)</u>
26,081	(166)	506		(11,202)	1,710,130
<u>\$ 41,356</u>	<u>\$ 4,400</u>	<u>\$ 462</u>	<u>\$ 377,726</u>	<u>\$ 24,358</u>	<u>\$ 1,522,073</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2009
(Continued)

	Promotion and Marketing Fund	Rio Rancho Convention & Visitors Bureau Fund	Rio Vision Cable Fund
Revenues:			
Municipal and state shared taxes	\$	\$ 354,988	\$
Intergovernmental federal			
Intergovernmental state	4,000	12,500	
Intergovernmental county			
Charges for services	53,218		
Fines and forfeits			
Franchise fees			141,800
Contributions and donations			
Investment income		46	1,323
Other revenues			12
Total revenues	<u>57,218</u>	<u>367,534</u>	<u>143,135</u>
Expenditures:			
Current -			
General government			
Public safety			
Public works			
Culture and recreation			172,830
Economic development	272,825	457,661	
Capital outlay			7,974
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>272,825</u>	<u>457,661</u>	<u>180,804</u>
Excess (deficiency) of revenues over expenditures	<u>(215,607)</u>	<u>(90,127)</u>	<u>(37,669)</u>
Other financing sources (uses):			
Transfers in	199,649	25,000	
Transfers out			
Total other financing sources (uses)	<u>199,649</u>	<u>25,000</u>	
Change in fund balances	<u>(15,958)</u>	<u>(65,127)</u>	<u>(37,669)</u>
Fund balances (deficits), beginning of year	28,161	79,027	199,598
Fund balances (deficits), end of year	<u>\$ 12,203</u>	<u>\$ 13,900</u>	<u>\$ 161,929</u>

Local Government Corrections Fund	Law Enforcement Fund	DPS Enforcement Aid Fund	Traffic Education and Enforcement Aid Fund	Fire Protection Fund	Emergency Medical Services Fund
\$	\$	\$	\$	\$	\$
	103,800	22,028		493,617	19,850
207,900			88,998		
		1,000			
147	41	166	61	386	24
		3,443		35,542	
<u>208,047</u>	<u>103,841</u>	<u>26,637</u>	<u>89,059</u>	<u>529,545</u>	<u>19,874</u>
289,216	93,363	19,733	64,411	212,744	3,518
	18,020		44,468	325,012	20,635
				89,624	
				53,384	
<u>289,216</u>	<u>111,383</u>	<u>19,733</u>	<u>108,879</u>	<u>680,764</u>	<u>24,153</u>
<u>(81,169)</u>	<u>(7,542)</u>	<u>6,904</u>	<u>(19,820)</u>	<u>(151,219)</u>	<u>(4,279)</u>
134,330					
<u>134,330</u>					
<u>53,161</u>	<u>(7,542)</u>	<u>6,904</u>	<u>(19,820)</u>	<u>(151,219)</u>	<u>(4,279)</u>
5,026	20,215	96,841	56,183	149,393	6,823
<u>\$ 58,187</u>	<u>\$ 12,673</u>	<u>\$ 103,745</u>	<u>\$ 36,363</u>	<u>\$ (1,826)</u>	<u>\$ 2,544</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2009
(Continued)

	Summer Lunch Program Fund	DPS Grants Fund	Environmental Gross Receipts Tax Fund
Revenues:			
Municipal and state shared taxes	\$	\$	\$ 643,515
Intergovernmental federal		913,153	
Intergovernmental state		105,339	
Intergovernmental county			
Charges for services			
Fines and forfeits			
Franchise fees			
Contributions and donations			15,750
Investment income			26,312
Other revenues			
Total revenues	<u> </u>	<u>1,018,492</u>	<u>685,577</u>
Expenditures:			
Current -			
General government			
Public safety		976,762	
Public works			836,278
Culture and recreation	26,456		
Economic development			
Capital outlay			185,785
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>26,456</u>	<u>976,762</u>	<u>1,022,063</u>
Excess (deficiency) of revenues over expenditures	<u>(26,456)</u>	<u>41,730</u>	<u>(336,486)</u>
Other financing sources (uses):			
Transfers in		4,220	
Transfers out			
Total other financing sources (uses)		<u>4,220</u>	
Change in fund balances	<u>(26,456)</u>	<u>45,950</u>	<u>(336,486)</u>
Fund balances (deficits), beginning of year		(47,198)	1,957,696
Fund balances (deficits), end of year	<u>\$ (26,456)</u>	<u>\$ (1,248)</u>	<u>\$ 1,621,210</u>

Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Recreation Development Fund	Computer/ Software Replacement Fund	Equipment Replacement Fund	Domestic Violence Response Fund
\$ 2,149,259	\$ 634,391	\$	\$	\$	\$ 140,142
		31,416			
1,898	423	15,947		41	
<u>2,151,157</u>	<u>634,814</u>	<u>47,363</u>		<u>41</u>	<u>140,142</u>
			205		150,127
	342,576	57,302			
	219,078			196,537	
	81,587				
	6,865				
	<u>650,106</u>	<u>57,302</u>	<u>205</u>	<u>196,537</u>	<u>150,127</u>
<u>2,151,157</u>	<u>(15,292)</u>	<u>(9,939)</u>	<u>(205)</u>	<u>(196,496)</u>	<u>(9,985)</u>
			20,000	147,265	
		(299,927)			
		<u>(299,927)</u>	<u>20,000</u>	<u>147,265</u>	
<u>2,151,157</u>	<u>(15,292)</u>	<u>(309,866)</u>	<u>19,795</u>	<u>(49,231)</u>	<u>(9,985)</u>
	355,574	1,088,224		49,301	(43,945)
<u>\$ 2,151,157</u>	<u>\$ 340,282</u>	<u>\$ 778,358</u>	<u>\$ 19,795</u>	<u>\$ 70</u>	<u>\$ (53,930)</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2009
(Concluded)

	HUD - CDBG Fund	Crime Victims Assistance Fund	Totals
Revenues:			
Municipal and state shared taxes	\$	\$	\$ 3,797,375
Intergovernmental federal	431,924	34,401	1,561,662
Intergovernmental state			1,078,399
Intergovernmental county			35,416
Charges for services			601,912
Fines and forfeits			90,055
Franchise fees			141,800
Contributions and donations			60,493
Investment income			70,490
Other revenues			331,720
Total revenues	<u>431,924</u>	<u>34,401</u>	<u>7,769,322</u>
Expenditures:			
Current -			
General government			321,166
Public safety		44,627	1,911,935
Public works	469,880		1,648,734
Culture and recreation			974,146
Economic development			730,486
Capital outlay			1,166,474
Debt service -			
Principal			171,211
Interest and fiscal charges			60,249
Total expenditures	<u>469,880</u>	<u>44,627</u>	<u>6,984,401</u>
Excess (deficiency) of revenues over expenditures	<u>(37,956)</u>	<u>(10,226)</u>	<u>784,921</u>
Other financing sources (uses):			
Transfers in		10,100	990,564
Transfers out			(307,427)
Total other financing sources (uses)		<u>10,100</u>	<u>683,137</u>
Change in fund balances	<u>(37,956)</u>	<u>(126)</u>	<u>1,468,058</u>
Fund balances (deficits), beginning of year	(51,259)	(10,463)	5,754,154
Fund balances (deficits), end of year	<u>\$ (89,215)</u>	<u>\$ (10,589)</u>	<u>\$ 7,222,212</u>

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2009

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2003 Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund
Revenues:			
Property taxes	\$ 4,135,583	\$	\$
Municipal and state shared taxes		640,333	1,111,020
Investment income	14,504	1,179	912
Other revenues	23,825		
Total revenues	<u>4,173,912</u>	<u>641,512</u>	<u>1,111,932</u>
Expenditures:			
Current -			
Other expenses		6,500	5,000
Debt service -			
Principal	3,250,000	575,000	225,000
Interest and fiscal charges	614,847	69,586	823,688
Total expenditures	<u>3,864,847</u>	<u>651,086</u>	<u>1,053,688</u>
Excess (deficiency) of revenues over expenditures	<u>309,065</u>	<u>(9,574)</u>	<u>58,244</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Change in fund balances	<u>309,065</u>	<u>(9,574)</u>	<u>58,244</u>
Fund balances, beginning of year	3,584,693	126,157	137,614
Fund balances, end of year	<u>\$ 3,893,758</u>	<u>\$ 116,583</u>	<u>\$ 195,858</u>

<u>HP Loan Fund</u>	<u>HS Loan Fund</u>	<u>Totals</u>
\$	\$	\$
69,940		4,135,583
176	73	1,821,293
		16,844
		23,825
<u>70,116</u>	<u>73</u>	<u>5,997,545</u>

11,500

157,100		4,207,100
132,352	113,997	1,754,470
<u>289,452</u>	<u>113,997</u>	<u>5,973,070</u>

<u>(219,336)</u>	<u>(113,924)</u>	<u>24,475</u>
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<u>289,452</u>	<u>113,999</u>	<u>403,451</u>
<u>289,452</u>	<u>113,999</u>	<u>403,451</u>

<u>70,116</u>	<u>75</u>	<u>427,926</u>
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3,848,464

<u>\$ 70,116</u>	<u>\$ 75</u>	<u>\$ 4,276,390</u>
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CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2009

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			
Intergovernmental state			
Intergovernmental county			
Impact fees			
Contributions and donations			
Investment income	122	14,758	12,492
Other revenues	341,918		
Total revenues	<u>342,040</u>	<u>14,758</u>	<u>12,492</u>
Expenditures:			
Current -			
General government			
Public works		96,849	101,021
Culture and recreation			
Capital outlay	22,952	1,899,332	2,066,817
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>22,952</u>	<u>1,996,181</u>	<u>2,167,838</u>
Excess (deficiency) of revenues over expenditures	<u>319,088</u>	<u>(1,981,423)</u>	<u>(2,155,346)</u>
Other financing sources (uses):			
Loan proceeds		5,217,100	4,669,000
Transfers in			
Transfers out	(4,753)	(289,452)	(113,999)
Total other financing sources (uses)	<u>(4,753)</u>	<u>4,927,648</u>	<u>4,555,001</u>
Change in fund balances	<u>314,335</u>	<u>2,946,225</u>	<u>2,399,655</u>
Fund balances (deficits), beginning of year	61,297		
Fund balances (deficits), end of year	<u>\$ 375,632</u>	<u>\$ 2,946,225</u>	<u>\$ 2,399,655</u>

Infrastructure Fund	Building Improvement Fund	State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2005 Fund	Bond Construction 2006 Aquatics Fund
\$ 262,890	\$	\$	\$	\$	\$
2,246,350					
788,662		1,059,160			
10,000					
10,000					
51,346	8,514		33	109	3,362
170,000	74,698				
3,539,248	83,212	1,059,160	33	109	3,362
	24,292	86,895			
1,105,773	7,446				
					61,507
3,787,611	201,706	946,219	21,129	58,193	271,409
325,677					
9,797					
5,228,858	233,444	1,033,114	21,129	58,193	332,916
(1,689,610)	(150,232)	26,046	(21,096)	(58,084)	(329,554)
150,000					
(247,161)	(843,630)				
(97,161)	(843,630)				
(1,786,771)	(993,862)	26,046	(21,096)	(58,084)	(329,554)
5,280,423	1,586,837	(272,620)	33,561	89,641	450,921
\$ 3,493,652	\$ 592,975	\$ (246,574)	\$ 12,465	\$ 31,557	\$ 121,367

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2009
(Concluded)

	Road Impact Fees Fund	Trail Impact Fees Fund	Park Impact Fees Fund
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			
Intergovernmental state			
Intergovernmental county			
Impact fees	671,006	9,756	103,890
Contributions and donations			
Investment income	26,117	170	6,502
Other revenues			
Total revenues	<u>697,123</u>	<u>9,926</u>	<u>110,392</u>
Expenditures:			
Current -			
General government			
Public works	3,026		
Culture and recreation			
Capital outlay	519,646	1,020	74,659
Debt service -			
Principal	86,774		
Interest and fiscal charges	15,227		
Total expenditures	<u>624,673</u>	<u>1,020</u>	<u>74,659</u>
Excess (deficiency) of revenues over expenditures	<u>72,450</u>	<u>8,906</u>	<u>35,733</u>
Other financing sources (uses):			
Loan proceeds			
Transfers in			
Transfers out	(18,019)	(330)	(6,300)
Total other financing sources (uses)	<u>(18,019)</u>	<u>(330)</u>	<u>(6,300)</u>
Change in fund balances	<u>54,431</u>	<u>8,576</u>	<u>29,433</u>
Fund balances (deficits), beginning of year	1,667,596	114,615	972,259
Fund balances (deficits), end of year	<u>\$ 1,722,027</u>	<u>\$ 123,191</u>	<u>\$ 1,001,692</u>

<u>Public Safety Impact Fees Fund</u>	<u>Drainage Impact Fees Fund</u>	<u>Solid Waste Disposal- Indigent Fund</u>	<u>Totals</u>
\$	\$	\$	\$
			262,890
			2,246,350
			1,847,822
			10,000
181,997	346,080		1,312,729
		11,000	21,000
6,210	12,341	16	142,092
			586,616
<u>188,207</u>	<u>358,421</u>	<u>11,016</u>	<u>6,429,499</u>
		13,000	124,187
			1,314,115
			61,507
177,625	220,839		10,269,157
			412,451
			25,024
<u>177,625</u>	<u>220,839</u>	<u>13,000</u>	<u>12,206,441</u>
<u>10,582</u>	<u>137,582</u>	<u>(1,984)</u>	<u>(5,776,942)</u>
			9,886,100
			150,000
<u>(6,000)</u>	<u>(9,934)</u>		<u>(1,539,578)</u>
<u>(6,000)</u>	<u>(9,934)</u>		<u>8,496,522</u>
<u>4,582</u>	<u>127,648</u>	<u>(1,984)</u>	<u>2,719,580</u>
578,385	805,664	12,440	11,381,019
<u>\$ 582,967</u>	<u>\$ 933,312</u>	<u>\$ 10,456</u>	<u>\$ 14,100,599</u>

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**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL**

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DONATIONS FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 35,000	\$ 35,000	\$ 36,961	\$ 1,961
Fines and forfeits	800	800	1,057	257
Contributions and donations	5,000	6,500	9,705	3,205
Investment income	600	600	68	(532)
Total revenues	<u>41,400</u>	<u>42,900</u>	<u>47,791</u>	<u>4,891</u>
Expenditures:				
Current -				
Public safety	63,989	67,652	37,376	30,276
Culture and recreation	19,662	19,662	9,500	10,162
Total expenditures	<u>83,651</u>	<u>87,314</u>	<u>46,876</u>	<u>40,438</u>
Change in fund balances	<u>(42,251)</u>	<u>(44,414)</u>	<u>915</u>	<u>45,329</u>
Fund balances, July 1, 2008	44,451	46,614	43,128	(3,486)
Fund balances, June 30, 2009	<u>\$ 2,200</u>	<u>\$ 2,200</u>	<u>\$ 44,043</u>	<u>\$ 41,843</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - AQUATICS SWIM TEAM FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Investment income	\$	\$	\$ 2
Other revenues		90,000	38,759
Total revenues		<u>90,000</u>	<u>38,761</u>
Expenditures:			
Current -			
Culture and recreation		68,925	38,073
Total expenditures		<u>68,925</u>	<u>38,073</u>
Change in fund balances		<u>21,075</u>	<u>688</u>
Fund balances, July 1, 2008			
Fund balances, June 30, 2009	<u>\$</u>	<u>\$ 21,075</u>	<u>\$ 688</u>
			<u>\$ (20,387)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION ACTIVITIES AND VENDING FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 375,696	\$ 411,376	\$ 292,477	\$ (118,899)
Investment income	1,800	60	106	46
Other revenues			424	424
Total revenues	<u>377,496</u>	<u>411,436</u>	<u>293,007</u>	<u>(118,429)</u>
Expenditures:				
Current -				
Culture and recreation	<u>393,141</u>	<u>445,328</u>	<u>254,033</u>	<u>191,295</u>
Total expenditures	<u>393,141</u>	<u>445,328</u>	<u>254,033</u>	<u>191,295</u>
Excess (deficiency) of revenues over expenditures	<u>(15,645)</u>	<u>(33,892)</u>	<u>38,974</u>	<u>72,866</u>
Other financing sources (uses):				
Transfers out		(7,500)	(7,500)	
Total other financing sources (uses)		<u>(7,500)</u>	<u>(7,500)</u>	
Change in fund balances	<u>(15,645)</u>	<u>(41,392)</u>	<u>31,474</u>	<u>72,866</u>
Fund balances, July 1, 2008	20,579	72,665	46,480	(26,185)
Fund balances, June 30, 2009	<u>\$ 4,934</u>	<u>\$ 31,273</u>	<u>\$ 77,954</u>	<u>\$ 46,681</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal and state shared taxes	\$ 17,000	\$ 17,000	\$ 15,222	\$ (1,778)
Investment income	500	500	53	(447)
Total revenues	<u>17,500</u>	<u>17,500</u>	<u>15,275</u>	<u>(2,225)</u>
Expenditures:				
Capital outlay	17,000	32,000		32,000
Total expenditures	<u>17,000</u>	<u>32,000</u>		<u>32,000</u>
Change in fund balances	<u>500</u>	<u>(14,500)</u>	<u>15,275</u>	<u>29,775</u>
Fund balances, July 1, 2008	9,280	24,280	26,081	1,801
Fund balances, June 30, 2009	<u>\$ 9,780</u>	<u>\$ 9,780</u>	<u>\$ 41,356</u>	<u>\$ 31,576</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - KEEP RIO RANCHO BEAUTIFUL GRANT FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$ 60,000	\$ 76,726	\$ 56,734	\$ (19,992)
Other revenues		5,000	5,000	
Total revenues	<u>60,000</u>	<u>81,726</u>	<u>61,734</u>	<u>(19,992)</u>
Expenditures:				
Current -				
Culture and recreation	60,000	67,863	57,168	10,695
Total expenditures	<u>60,000</u>	<u>67,863</u>	<u>57,168</u>	<u>10,695</u>
Change in fund balances		<u>13,863</u>	<u>4,566</u>	<u>(9,297)</u>
Fund balances (deficits), July 1, 2008	2	(13,861)	(166)	13,695
Fund balances, June 30, 2009	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 4,400</u>	<u>\$ 4,398</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - COMMUNITY RESPONSE PROGRAM FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental federal	\$	\$ 38,521	\$ 20,014	\$ (18,507)
Total revenues		38,521	20,014	(18,507)
Expenditures:				
Current -				
Public safety		32,964	20,058	12,906
Total expenditures		32,964	20,058	12,906
Change in fund balances		5,557	(44)	(5,601)
Fund balances (deficits), July 1, 2008	4	(5,557)	506	6,063
Fund balances, June 30, 2009	\$ 4	\$	\$ 462	\$ 462

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - WORKERS COMPENSATION FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Investment income	\$	\$	\$ 333
Other revenues	1,000,000	248,352	248,354
Total revenues	1,000,000	248,352	248,687
			335
Expenditures:			
Current -			
General government	1,000,000	655,940	320,961
Total expenditures	1,000,000	655,940	320,961
			334,979
			334,979
Excess (deficiency) of revenues over expenditures		(407,588)	(72,274)
			335,314
Other financing sources (uses):			
Transfers in		450,000	450,000
Total other financing sources (uses)		450,000	450,000
Change in fund balances		42,412	377,726
			335,314
Fund balances, July 1, 2008			
Fund balances, June 30, 2009	\$	\$ 42,412	\$ 377,726
			\$ 335,314

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SENIOR SERVICES FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 5,824	\$ 181,074	\$ 171,859	\$ (9,215)
Intergovernmental county		40,145	4,000	(36,145)
Charges for services	47,845	8,700	11,356	2,656
Contributions and donations	2,800		2,568	2,568
Investment income	2,000	3,800	33	(3,767)
Other revenues	100	100		(100)
Total revenues	<u>58,569</u>	<u>233,819</u>	<u>189,816</u>	<u>(44,003)</u>
Expenditures:				
Current -				
Culture and recreation	58,398	62,398	21,740	40,658
Capital outlay	5,824	143,753	132,516	11,237
Total expenditures	<u>64,222</u>	<u>206,151</u>	<u>154,256</u>	<u>51,895</u>
Change in fund balances	<u>(5,653)</u>	<u>27,668</u>	<u>35,560</u>	<u>7,892</u>
Fund balances (deficits), July 1, 2008	27,129	(6,192)	(11,202)	(5,010)
Fund balances, June 30, 2009	<u>\$ 21,476</u>	<u>\$ 21,476</u>	<u>\$ 24,358</u>	<u>\$ 2,882</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental state	\$ 14,865	\$ 14,865	\$ 110,700	\$ 95,835
Contributions and donations	10,000	25,000	31,470	6,470
Investment income	30,000	30,000	23,080	(6,920)
Other revenues			186	186
Total revenues	<u>54,865</u>	<u>69,865</u>	<u>165,436</u>	<u>95,571</u>
Expenditures:				
Current -				
Culture and recreation	327,974	422,828	337,044	85,784
Capital outlay	17,710	72,012	16,449	55,563
Total expenditures	<u>345,684</u>	<u>494,840</u>	<u>353,493</u>	<u>141,347</u>
Change in fund balances	<u>(290,819)</u>	<u>(424,975)</u>	<u>(188,057)</u>	<u>236,918</u>
Fund balances, July 1, 2008	1,588,928	1,744,770	1,710,130	(34,640)
Fund balances, June 30, 2009	<u>\$ 1,298,109</u>	<u>\$ 1,319,795</u>	<u>\$ 1,522,073</u>	<u>\$ 202,278</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PROMOTION AND MARKETING FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$	\$ 4,000	\$ 4,000	\$
Charges for services	199,786	99,786	53,218	(46,568)
Total revenues	<u>199,786</u>	<u>103,786</u>	<u>57,218</u>	<u>(46,568)</u>
Expenditures:				
Current -				
Economic development	333,459	339,693	272,825	66,868
Total expenditures	<u>333,459</u>	<u>339,693</u>	<u>272,825</u>	<u>66,868</u>
Excess (deficiency) of revenues over expenditures	<u>(133,673)</u>	<u>(235,907)</u>	<u>(215,607)</u>	<u>20,300</u>
Other financing sources (uses):				
Transfers in	113,397	199,649	199,649	
Total other financing sources (uses)	<u>113,397</u>	<u>199,649</u>	<u>199,649</u>	
Change in fund balances	<u>(20,276)</u>	<u>(36,258)</u>	<u>(15,958)</u>	<u>20,300</u>
Fund balances, July 1, 2008	20,276	36,258	28,161	(8,097)
Fund balances, June 30, 2009	<u>\$</u>	<u>\$</u>	<u>\$ 12,203</u>	<u>\$ 12,203</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO RANCHO CONVENTION & VISITORS BUREAU FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 371,000	\$ 371,000	\$ 354,988	\$ (16,012)
Intergovernmental state	12,000	12,500	12,500	
Investment income	3,200	200	46	(154)
Total revenues	<u>386,200</u>	<u>383,700</u>	<u>367,534</u>	<u>(16,166)</u>
Expenditures:				
Current -				
Economic development	463,938	486,567	457,661	28,906
Total expenditures	<u>463,938</u>	<u>486,567</u>	<u>457,661</u>	<u>28,906</u>
Excess (deficiency) of revenues over expenditures	<u>(77,738)</u>	<u>(102,867)</u>	<u>(90,127)</u>	<u>12,740</u>
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	
Change in fund balances	<u>(52,738)</u>	<u>(77,867)</u>	<u>(65,127)</u>	<u>12,740</u>
Fund balances, July 1, 2008	60,825	77,867	79,027	1,160
Fund balances, June 30, 2009	<u>\$ 8,087</u>	<u>\$</u>	<u>\$ 13,900</u>	<u>\$ 13,900</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO VISION CABLE FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Franchise fees	\$ 126,000	\$ 126,000	\$ 141,800	\$ 15,800
Investment income	6,000	6,000	1,323	(4,677)
Other revenues			12	12
Total revenues	<u>132,000</u>	<u>132,000</u>	<u>143,135</u>	<u>11,135</u>
Expenditures:				
Current -				
Culture and recreation	195,500	198,313	172,830	25,483
Capital outlay	10,000	10,000	7,974	2,026
Total expenditures	<u>205,500</u>	<u>208,313</u>	<u>180,804</u>	<u>27,509</u>
Change in fund balances	<u>(73,500)</u>	<u>(76,313)</u>	<u>(37,669)</u>	<u>38,644</u>
Fund balances, July 1, 2008	152,279	165,315	199,598	34,283
Fund balances, June 30, 2009	<u>\$ 78,779</u>	<u>\$ 89,002</u>	<u>\$ 161,929</u>	<u>\$ 72,927</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LOCAL GOVERNMENT CORRECTIONS FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 180,000	\$ 180,000	\$ 207,900	\$ 27,900
Investment income	1,000	1,000	147	(853)
Total revenues	<u>181,000</u>	<u>181,000</u>	<u>208,047</u>	<u>27,047</u>
Expenditures:				
Current -				
Public safety	356,156	373,274	289,216	84,058
Total expenditures	<u>356,156</u>	<u>373,274</u>	<u>289,216</u>	<u>84,058</u>
Excess (deficiency) of revenues over expenditures	<u>(175,156)</u>	<u>(192,274)</u>	<u>(81,169)</u>	<u>111,105</u>
Other financing sources (uses):				
Transfers in	161,200	161,200	134,330	(26,870)
Total other financing sources (uses)	<u>161,200</u>	<u>161,200</u>	<u>134,330</u>	<u>(26,870)</u>
Change in fund balances	<u>(13,956)</u>	<u>(31,074)</u>	<u>53,161</u>	<u>84,235</u>
Fund balances, July 1, 2008	13,956	31,074	5,026	(26,048)
Fund balances, June 30, 2009	<u>\$</u>	<u>\$</u>	<u>\$ 58,187</u>	<u>\$ 58,187</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 103,800	\$ 103,800	\$ 103,800	\$
Investment income	1,000	1,000	41	(959)
Total revenues	<u>104,800</u>	<u>104,800</u>	<u>103,841</u>	<u>(959)</u>
Expenditures:				
Current -				
Public safety	95,035	121,425	93,363	28,062
Capital outlay	8,500	18,020	18,020	
Total expenditures	<u>103,535</u>	<u>139,445</u>	<u>111,383</u>	<u>28,062</u>
Change in fund balances	<u>1,265</u>	<u>(34,645)</u>	<u>(7,542)</u>	<u>27,103</u>
Fund balances, July 1, 2008	5,784	34,645	20,215	(14,430)
Fund balances, June 30, 2009	<u>\$ 7,049</u>	<u>\$</u>	<u>\$ 12,673</u>	<u>\$ 12,673</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DPS ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental federal	\$ 26,000	\$ 36,000	\$ 22,028	\$ (13,972)
Contributions and donations		1,000	1,000	
Investment income	1,000	1,000	166	(834)
Other revenues			3,443	3,443
Total revenues	<u>27,000</u>	<u>38,000</u>	<u>26,637</u>	<u>(11,363)</u>
Expenditures:				
Current -				
Public safety	23,758	31,757	19,733	12,024
Total expenditures	<u>23,758</u>	<u>31,757</u>	<u>19,733</u>	<u>12,024</u>
Change in fund balances	<u>3,242</u>	<u>6,243</u>	<u>6,904</u>	<u>661</u>
Fund balances, July 1, 2008	92,137	99,136	96,841	(2,295)
Fund balances, June 30, 2009	<u>\$ 95,379</u>	<u>\$ 105,379</u>	<u>\$ 103,745</u>	<u>\$ (1,634)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAFFIC EDUCATION AND ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeits	\$ 85,000	\$ 85,000	\$ 88,998	\$ 3,998
Investment income	1,000	1,000	61	(939)
Total revenues	<u>86,000</u>	<u>86,000</u>	<u>89,059</u>	<u>3,059</u>
Expenditures:				
Current -				
Public safety	89,180	90,552	64,411	26,141
Capital outlay	21,500	44,686	44,468	218
Total expenditures	<u>110,680</u>	<u>135,238</u>	<u>108,879</u>	<u>26,359</u>
Change in fund balances	<u>(24,680)</u>	<u>(49,238)</u>	<u>(19,820)</u>	<u>29,418</u>
Fund balances, July 1, 2008	34,495	61,987	56,183	(5,804)
Fund balances, June 30, 2009	<u>\$ 9,815</u>	<u>\$ 12,749</u>	<u>\$ 36,363</u>	<u>\$ 23,614</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental state	\$ 389,188	\$ 493,617	\$ 493,617	\$
Intergovernmental county		43,000		(43,000)
Investment income	4,000	50	386	336
Other revenues			35,542	35,542
Total revenues	<u>393,188</u>	<u>536,667</u>	<u>529,545</u>	<u>(7,122)</u>
Expenditures:				
Current -				
Public safety	195,465	266,355	212,744	53,611
Capital outlay		295,551	325,012	(29,461)
Debt service -				
Principal	89,624	89,624	89,624	
Interest and fiscal charges	63,214	53,914	53,384	530
Total expenditures	<u>348,303</u>	<u>705,444</u>	<u>680,764</u>	<u>24,680</u>
Change in fund balances	<u>44,885</u>	<u>(168,777)</u>	<u>(151,219)</u>	<u>17,558</u>
Fund balances, July 1, 2008	70,295	168,777	149,393	(19,384)
Fund balances (deficits), June 30, 2009	<u>\$ 115,180</u>	<u>\$</u>	<u>\$ (1,826)</u>	<u>\$ (1,826)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental state	\$ 19,850	\$ 19,850	\$ 19,850	\$
Investment income			24	24
Total revenues	<u>19,850</u>	<u>19,850</u>	<u>19,874</u>	<u>24</u>
Expenditures:				
Current -				
Public safety	4,250	8,791	3,518	5,273
Capital outlay	15,600	22,423	20,635	1,788
Total expenditures	<u>19,850</u>	<u>31,214</u>	<u>24,153</u>	<u>7,061</u>
Change in fund balances		<u>(11,364)</u>	<u>(4,279)</u>	<u>7,085</u>
Fund balances, July 1, 2008	6,823	11,364	6,823	(4,541)
Fund balances, June 30, 2009	<u>\$ 6,823</u>	<u>\$</u>	<u>\$ 2,544</u>	<u>\$ 2,544</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SUMMER LUNCH PROGRAM FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Final Budget</u>
			<u>Positive</u>
			<u>(Negative)</u>
Revenues:			
Intergovernmental federal	<u>\$</u>	<u>\$ 61,348</u>	<u>\$ (61,348)</u>
Total revenues		<u>61,348</u>	<u>(61,348)</u>
Expenditures:			
Current -			
Culture and recreation		<u>61,348</u>	<u>26,456</u>
Total expenditures		<u>61,348</u>	<u>34,892</u>
Change in fund balances			<u>(26,456)</u>
Fund balances, July 1, 2008			
Fund balances (deficits), June 30, 2009	<u>\$</u>	<u>\$</u>	<u>\$ (26,456)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DPS GRANTS FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental federal	\$ 611,006	\$ 1,379,437	\$ 913,153	\$ (466,284)
Intergovernmental state	63,252	384,740	105,339	(279,401)
Total revenues	<u>674,258</u>	<u>1,764,177</u>	<u>1,018,492</u>	<u>(745,685)</u>
Expenditures:				
Current -				
Public safety	671,282	1,488,598	976,762	511,836
Capital outlay		21,240		21,240
Total expenditures	<u>671,282</u>	<u>1,509,838</u>	<u>976,762</u>	<u>533,076</u>
Excess (deficiency) of revenues over expenditures	<u>2,976</u>	<u>254,339</u>	<u>41,730</u>	<u>(212,609)</u>
Other financing sources (uses):				
Transfers in		4,220	4,220	
Total other financing sources (uses)		<u>4,220</u>	<u>4,220</u>	
Change in fund balances	<u>2,976</u>	<u>258,559</u>	<u>45,950</u>	<u>(212,609)</u>
Fund balances (deficits), July 1, 2008	(3,161)	(51,826)	(47,198)	4,628
Fund balances (deficits), June 30, 2009	<u>\$ (185)</u>	<u>\$ 206,733</u>	<u>\$ (1,248)</u>	<u>\$ (207,981)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL GROSS RECEIPTS TAX FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal and state shared taxes	\$ 466,258	\$ 466,258	\$ 643,515	\$ 177,257
Contributions and donations			15,750	15,750
Investment income	50,000	50,000	26,312	(23,688)
Total revenues	<u>516,258</u>	<u>516,258</u>	<u>685,577</u>	<u>169,319</u>
Expenditures:				
Current -				
Public works	138,611	157,353	836,278	(678,925)
Capital outlay	377,647	2,122,635	185,785	1,936,850
Total expenditures	<u>516,258</u>	<u>2,279,988</u>	<u>1,022,063</u>	<u>1,257,925</u>
Change in fund balances		<u>(1,763,730)</u>	<u>(336,486)</u>	<u>1,427,244</u>
Fund balances, July 1, 2008	185,483	1,969,553	1,957,696	(11,857)
Fund balances, June 30, 2009	<u>\$ 185,483</u>	<u>\$ 205,823</u>	<u>\$ 1,621,210</u>	<u>\$ 1,415,387</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHER EDUCATION GROSS RECEIPTS TAX FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 1,677,853	\$ 1,677,853	\$ 2,149,259	\$ 471,406
Investment income	35,000	35,000	1,898	(33,102)
Total revenues	<u>1,712,853</u>	<u>1,712,853</u>	<u>2,151,157</u>	<u>438,304</u>
Expenditures:				
Current -				
General government		868,424		868,424
Total expenditures		<u>868,424</u>		<u>868,424</u>
Change in fund balances	<u>1,712,853</u>	<u>844,429</u>	<u>2,151,157</u>	<u>1,306,728</u>
Fund balances, July 1, 2008				
Fund balances, June 30, 2009	<u>\$ 1,712,853</u>	<u>\$ 844,429</u>	<u>\$ 2,151,157</u>	<u>\$ 1,306,728</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - MUNICIPAL ROAD FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 602,115	\$ 602,115	\$ 634,391	\$ 32,276
Investment income	52,000	100	423	323
Total revenues	<u>654,115</u>	<u>602,215</u>	<u>634,814</u>	<u>32,599</u>
Expenditures:				
Current -				
Public works	737,797	601,415	342,576	258,839
Capital outlay	205,000	205,000	219,078	(14,078)
Debt service -				
Principal	81,588	81,588	81,587	1
Interest and fiscal charges	6,003	6,003	6,865	(862)
Total expenditures	<u>1,030,388</u>	<u>894,006</u>	<u>650,106</u>	<u>243,900</u>
Change in fund balances	<u>(376,273)</u>	<u>(291,791)</u>	<u>(15,292)</u>	<u>276,499</u>
Fund balances, July 1, 2008	376,273	298,293	355,574	57,281
Fund balances, June 30, 2009	<u>\$</u>	<u>\$ 6,502</u>	<u>\$ 340,282</u>	<u>\$ 333,780</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental county	\$	\$ 31,416	\$ 31,416	\$
Investment income			15,947	15,947
Total revenues		31,416	47,363	15,947
Expenditures:				
Current -				
Culture and recreation	49,927	824,294	57,302	766,992
Total expenditures	49,927	824,294	57,302	766,992
Excess (deficiency) of revenues over expenditures	(49,927)	(792,878)	(9,939)	782,939
Other financing sources (uses):				
Transfers out		(299,927)	(299,927)	
Total other financing sources (uses)		(299,927)	(299,927)	
Change in fund balances	(49,927)	(1,092,805)	(309,866)	782,939
Fund balances, July 1, 2008	49,927	1,092,805	1,088,224	(4,581)
Fund balances, June 30, 2009	<u>\$</u>	<u>\$</u>	<u>\$ 778,358</u>	<u>\$ 778,358</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - COMPUTER/SOFTWARE REPLACEMENT FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
	\$	\$	\$	\$
Total revenues				
Expenditures:				
Current -				
General government	30,000	20,000	205	19,795
Total expenditures	30,000	20,000	205	19,795
Excess (deficiency) of revenues over expenditures	(30,000)	(20,000)	(205)	19,795
Other financing sources (uses):				
Transfers in	30,000	20,000	20,000	
Total other financing sources (uses)	30,000	20,000	20,000	
Change in fund balances			19,795	19,795
Fund balances, July 1, 2008				
Fund balances, June 30, 2009	\$	\$	\$ 19,795	\$ 19,795

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 16,000	\$ 50	\$ 41	\$ (9)
Total revenues	<u>16,000</u>	<u>50</u>	<u>41</u>	<u>(9)</u>
Expenditures:				
Capital outlay	508,265	250,616	196,537	54,079
Total expenditures	<u>508,265</u>	<u>250,616</u>	<u>196,537</u>	<u>54,079</u>
Excess (deficiency) of revenues over expenditures	<u>(492,265)</u>	<u>(250,566)</u>	<u>(196,496)</u>	<u>54,070</u>
Other financing sources (uses):				
Transfers in	501,265	201,265	147,265	(54,000)
Total other financing sources (uses)	<u>501,265</u>	<u>201,265</u>	<u>147,265</u>	<u>(54,000)</u>
Change in fund balances	<u>9,000</u>	<u>(49,301)</u>	<u>(49,231)</u>	<u>70</u>
Fund balances, July 1, 2008	44,301	49,301	49,301	
Fund balances, June 30, 2009	<u>\$ 53,301</u>	<u>\$</u>	<u>\$ 70</u>	<u>\$ 70</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DOMESTIC VIOLENCE RESPONSE FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Intergovernmental federal	\$	\$ 200,140	\$ 140,142 \$ (59,998)
Total revenues		200,140	140,142 (59,998)
Expenditures:			
Current -			
Public safety	11	163,668	150,127 13,541
Total expenditures	11	163,668	150,127 13,541
Change in fund balances	(11)	36,472	(9,985) (46,457)
Fund balances (deficits), July 1, 2008	11	(36,472)	(43,945) (7,473)
Fund balances (deficits), June 30, 2009	\$	\$	\$ (53,930) \$ (53,930)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HUD - CDBG FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental federal	\$ 344,082	\$ 564,933	\$ 431,924	\$ (133,009)
Total revenues	<u>344,082</u>	<u>564,933</u>	<u>431,924</u>	<u>(133,009)</u>
Expenditures:				
Current -				
Public works	334,890	515,291	469,880	45,411
Total expenditures	<u>334,890</u>	<u>515,291</u>	<u>469,880</u>	<u>45,411</u>
Change in fund balances	<u>9,192</u>	<u>49,642</u>	<u>(37,956)</u>	<u>(87,598)</u>
Fund balances (deficits), July 1, 2008	(9,185)	(49,635)	(51,259)	(1,624)
Fund balances (deficits), June 30, 2009	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ (89,215)</u>	<u>\$ (89,222)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CRIME VICTIMS ASSISTANCE FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental federal	\$ 34,400	\$ 44,784	\$ 34,401	\$ (10,383)
Total revenues	<u>34,400</u>	<u>44,784</u>	<u>34,401</u>	<u>(10,383)</u>
Expenditures:				
Current -				
Public safety	45,048	45,048	44,627	421
Total expenditures	<u>45,048</u>	<u>45,048</u>	<u>44,627</u>	<u>421</u>
Excess (deficiency) of revenues over expenditures	<u>(10,648)</u>	<u>(264)</u>	<u>(10,226)</u>	<u>(9,962)</u>
Other financing sources (uses):				
Transfers in	10,648	10,648	10,100	(548)
Total other financing sources (uses)	<u>10,648</u>	<u>10,648</u>	<u>10,100</u>	<u>(548)</u>
Change in fund balances		<u>10,384</u>	<u>(126)</u>	<u>(10,510)</u>
Fund balances (deficits), July 1, 2008	676	(9,708)	(10,463)	(755)
Fund balances (deficits), June 30, 2009	<u>\$ 676</u>	<u>\$ 676</u>	<u>\$ (10,589)</u>	<u>\$ (11,265)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL OBLIGATION BONDS FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 3,808,113	\$ 3,808,113	\$ 4,135,583	\$ 327,470
Investment income	30,000	30,000	14,504	(15,496)
Other revenues			23,825	23,825
Total revenues	<u>3,838,113</u>	<u>3,838,113</u>	<u>4,173,912</u>	<u>335,799</u>
Expenditures:				
Debt service -				
Principal	2,150,000	3,250,000	3,250,000	
Interest and fiscal charges	809,913	852,506	614,847	237,659
Total expenditures	<u>2,959,913</u>	<u>4,102,506</u>	<u>3,864,847</u>	<u>237,659</u>
Change in fund balances	<u>878,200</u>	<u>(264,393)</u>	<u>309,065</u>	<u>573,458</u>
Fund balances, July 1, 2008	3,779,250	3,779,250	3,584,693	(194,557)
Fund balances, June 30, 2009	<u>\$ 4,657,450</u>	<u>\$ 3,514,857</u>	<u>\$ 3,893,758</u>	<u>\$ 378,901</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS SERIES 2003 FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 639,000	\$ 639,000	\$ 640,333	\$ 1,333
Investment income	2,872	2,872	1,179	(1,693)
Total revenues	<u>641,872</u>	<u>641,872</u>	<u>641,512</u>	<u>(360)</u>
Expenditures:				
Current -				
Other expenses			6,500	(6,500)
Debt service -				
Principal	575,000	575,000	575,000	
Interest and fiscal charges	78,657	83,157	69,586	13,571
Total expenditures	<u>653,657</u>	<u>658,157</u>	<u>651,086</u>	<u>7,071</u>
Change in fund balances	<u>(11,785)</u>	<u>(16,285)</u>	<u>(9,574)</u>	<u>6,711</u>
Fund balances, July 1, 2008	25,295	25,295	126,157	100,862
Fund balances, June 30, 2009	<u>\$ 13,510</u>	<u>\$ 9,010</u>	<u>\$ 116,583</u>	<u>\$ 107,573</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS SERIES 2005 FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal and state shared taxes	\$ 1,113,224	\$ 1,113,224	\$ 1,111,020	\$ (2,204)
Investment income	4,000	4,000	912	(3,088)
Total revenues	<u>1,117,224</u>	<u>1,117,224</u>	<u>1,111,932</u>	<u>(5,292)</u>
Expenditures:				
Current -				
Other expenses			5,000	(5,000)
Debt service -				
Principal	225,000	225,000	225,000	
Interest and fiscal charges	892,224	895,224	823,688	71,536
Total expenditures	<u>1,117,224</u>	<u>1,120,224</u>	<u>1,053,688</u>	<u>66,536</u>
Change in fund balances		<u>(3,000)</u>	<u>58,244</u>	<u>61,244</u>
Fund balances, July 1, 2008	17,563	17,563	137,614	120,051
Fund balances, June 30, 2009	<u>\$ 17,563</u>	<u>\$ 14,563</u>	<u>\$ 195,858</u>	<u>\$ 181,295</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP LOAN FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Municipal and state shared taxes	\$	\$	\$ 69,940
Investment income			176
Total revenues			70,116
Expenditures:			
Debt service -			
Principal		157,100	157,100
Interest and fiscal charges		132,352	132,352
Total expenditures		289,452	289,452
Excess (deficiency) of revenues over expenditures		(289,452)	(219,336)
Other financing sources (uses):			
Transfers in		289,452	289,452
Total other financing sources (uses)		289,452	289,452
Change in fund balances			70,116
Fund balances, July 1, 2008			
Fund balances, June 30, 2009	\$	\$	\$ 70,116

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS LOAN FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Investment income	\$	\$	\$ 73
Total revenues			73
Expenditures:			
Debt service -			
Interest and fiscal charges		113,999	113,997
Total expenditures		113,999	113,997
Excess (deficiency) of revenues over expenditures		(113,999)	(113,924) 75
Other financing sources (uses):			
Transfers in		113,999	113,999
Total other financing sources (uses)		113,999	113,999
Change in fund balances			75 75
Fund balances, July 1, 2008			
Fund balances, June 30, 2009	\$	\$	\$ 75 \$ 75

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 15,000	\$ 500	\$ 122	\$ (378)
Other revenues	341,918	341,918	341,918	
Total revenues	<u>356,918</u>	<u>342,418</u>	<u>342,040</u>	<u>(378)</u>
Expenditures:				
Capital outlay	341,918	364,871	22,952	341,919
Total expenditures	<u>341,918</u>	<u>364,871</u>	<u>22,952</u>	<u>341,919</u>
Excess (deficiency) of revenues over expenditures	<u>15,000</u>	<u>(22,453)</u>	<u>319,088</u>	<u>341,541</u>
Other financing sources (uses):				
Transfers out		(4,753)	(4,753)	
Total other financing sources (uses)		<u>(4,753)</u>	<u>(4,753)</u>	
Change in fund balances	<u>15,000</u>	<u>(27,206)</u>	<u>314,335</u>	<u>341,541</u>
Fund balances, July 1, 2008	33,591	61,297	61,297	
Fund balances, June 30, 2009	<u>\$ 48,591</u>	<u>\$ 34,091</u>	<u>\$ 375,632</u>	<u>\$ 341,541</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Investment income	\$	\$	\$ 14,758
Total revenues			14,758
Expenditures:			
Current -			
Public works		77,100	96,849
Capital outlay		4,604,636	1,899,332
Total expenditures		4,681,736	1,996,181
Excess (deficiency) of revenues over expenditures		(4,681,736)	(1,981,423)
Other financing sources (uses):			
Loan proceeds		5,217,000	5,217,100
Transfers out		(289,452)	(289,452)
Total other financing sources (uses)		4,927,548	4,927,648
Change in fund balances		245,812	2,946,225
Fund balances, July 1, 2008			
Fund balances, June 30, 2009	\$	\$ 245,812	\$ 2,946,225
			\$ 2,700,413

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Investment income	\$	\$	\$ 12,492
Total revenues			12,492
Expenditures:			
Current -			
Public works		69,000	101,021
Capital outlay		3,898,661	2,066,817
Total expenditures		3,967,661	2,167,838
Excess (deficiency) of revenues over expenditures		(3,967,661)	(2,155,346)
Other financing sources (uses):			
Loan proceeds		4,669,000	4,669,000
Transfers out		(113,999)	(113,999)
Total other financing sources (uses)		4,555,001	4,555,001
Change in fund balances		587,340	2,399,655
Fund balances, July 1, 2008			1,812,315
Fund balances, June 30, 2009	\$	\$ 587,340	\$ 2,399,655
			\$ 1,812,315

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	\$ 345,193	\$ 340,325	\$ 262,890	\$ (77,435)
Intergovernmental federal		3,260,599	2,246,350	(1,014,249)
Intergovernmental state	68,734	3,327,323	788,662	(2,538,661)
Intergovernmental county		10,000	10,000	
Contributions and donations		10,000	10,000	
Investment income		50,000	51,346	1,346
Other revenues			170,000	170,000
Total revenues	<u>413,927</u>	<u>6,998,247</u>	<u>3,539,248</u>	<u>(3,458,999)</u>
Expenditures:				
Current -				
Public works		937,456	1,105,773	(168,317)
Capital outlay	218,734	10,590,965	3,787,611	6,803,354
Debt service -				
Principal	325,677	325,677	325,677	
Interest and fiscal charges	19,523	14,656	9,797	4,859
Total expenditures	<u>563,934</u>	<u>11,868,754</u>	<u>5,228,858</u>	<u>6,639,896</u>
Excess (deficiency) of revenues over expenditures	<u>(150,007)</u>	<u>(4,870,507)</u>	<u>(1,689,610)</u>	<u>3,180,897</u>
Other financing sources (uses):				
Transfers in	150,000	150,000	150,000	
Transfers out		(523,553)	(247,161)	276,392
Total other financing sources (uses)	<u>150,000</u>	<u>(373,553)</u>	<u>(97,161)</u>	<u>276,392</u>
Change in fund balances	<u>(7)</u>	<u>(5,244,060)</u>	<u>(1,786,771)</u>	<u>3,457,289</u>
Fund balances, July 1, 2008	106,723	5,352,970	5,280,423	(72,547)
Fund balances, June 30, 2009	<u>\$ 106,716</u>	<u>\$ 108,910</u>	<u>\$ 3,493,652</u>	<u>\$ 3,384,742</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUILDING IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 10,647	\$ 10,647	\$ 8,514	\$ (2,133)
Other revenues	102,412	102,412	74,698	(27,714)
Total revenues	<u>113,059</u>	<u>113,059</u>	<u>83,212</u>	<u>(29,847)</u>
Expenditures:				
Current -				
General government			24,292	(24,292)
Public works		7,446	7,446	
Capital outlay	1,103,500	956,416	201,706	754,710
Total expenditures	<u>1,103,500</u>	<u>963,862</u>	<u>233,444</u>	<u>730,418</u>
Excess (deficiency) of revenues over expenditures	<u>(990,441)</u>	<u>(850,803)</u>	<u>(150,232)</u>	<u>700,571</u>
Other financing sources (uses):				
Transfers out		(843,630)	(843,630)	
Total other financing sources (uses)		<u>(843,630)</u>	<u>(843,630)</u>	
Change in fund balances	<u>(990,441)</u>	<u>(1,694,433)</u>	<u>(993,862)</u>	<u>700,571</u>
Fund balances, July 1, 2008	1,008,875	1,722,308	1,586,837	(135,471)
Fund balances, June 30, 2009	<u>\$ 18,434</u>	<u>\$ 27,875</u>	<u>\$ 592,975</u>	<u>\$ 565,100</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - STATE APPROPRIATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$ 315,000	\$ 3,889,973	\$ 1,059,160	\$ (2,830,813)
Total revenues	<u>315,000</u>	<u>3,889,973</u>	<u>1,059,160</u>	<u>(2,830,813)</u>
Expenditures:				
Current -				
General government		127,259	86,895	40,364
Capital outlay	315,000	3,425,364	946,219	2,479,145
Total expenditures	<u>315,000</u>	<u>3,552,623</u>	<u>1,033,114</u>	<u>2,519,509</u>
Change in fund balances		<u>337,350</u>	<u>26,046</u>	<u>(311,304)</u>
Fund balances (deficits), July 1, 2008	1,528	(335,822)	(272,620)	63,202
Fund balances (deficits), June 30, 2009	<u>\$ 1,528</u>	<u>\$ 1,528</u>	<u>\$ (246,574)</u>	<u>\$ (248,102)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2004 LIBRARY FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$	\$	\$ 33	\$ 33
Total revenues			33	33
Expenditures:				
Capital outlay	1,770	33,561	21,129	12,432
Total expenditures	1,770	33,561	21,129	12,432
Change in fund balances	(1,770)	(33,561)	(21,096)	12,465
Fund balances, July 1, 2008	1,770	33,561	33,561	
Fund balances, June 30, 2009	\$	\$	\$ 12,465	\$ 12,465

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2005 FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$	\$	\$ 109	\$ 109
Total revenues			109	109
Expenditures:				
Capital outlay	89,645	89,645	58,193	31,452
Total expenditures	89,645	89,645	58,193	31,452
Change in fund balances	(89,645)	(89,645)	(58,084)	31,561
Fund balances, July 1, 2008	89,645	89,645	89,641	(4)
Fund balances, June 30, 2009	\$	\$	\$ 31,557	\$ 31,557

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2006 AQUATICS FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Investment income	\$	\$	\$ 3,362
Total revenues			<u>3,362</u>
Expenditures:			
Current -			
Culture and recreation		75,877	61,507
Capital outlay	<u>247,710</u>	<u>439,505</u>	<u>271,409</u>
Total expenditures	<u>247,710</u>	<u>515,382</u>	<u>332,916</u>
Change in fund balances	<u>(247,710)</u>	<u>(515,382)</u>	<u>(329,554)</u>
Fund balances, July 1, 2008	247,710	515,382	450,921
Fund balances, June 30, 2009	<u>\$</u>	<u>\$</u>	<u>\$ 121,367</u>

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2009 ROADS FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures:				
Current -	\$	\$	\$	\$
Public works		48,217		48,217
Capital outlay		25,690,686	350,551	25,340,135
Debt service -				
Bond issuance costs		94,800	85,097	9,703
Total expenditures		<u>25,833,703</u>	<u>435,648</u>	<u>25,398,055</u>
Excess (deficiency) of revenues over expenditures		<u>(25,833,703)</u>	<u>(435,648)</u>	<u>25,398,055</u>
Other financing sources (uses):				
Issuance of general obligation bonds		25,833,703	25,554,472	(279,231)
Total other financing sources (uses)		<u>25,833,703</u>	<u>25,554,472</u>	<u>(279,231)</u>
Change in fund balances			<u>25,118,824</u>	<u>25,118,824</u>
Fund balances, July 1, 2008				
Fund balances, June 30, 2009	<u>\$</u>	<u>\$</u>	<u>\$ 25,118,824</u>	<u>\$ 25,118,824</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ROAD IMPACT FEES FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 600,631	\$ 600,631	\$ 671,006	\$ 70,375
Investment income	38,000	38,000	26,117	(11,883)
Total revenues	<u>638,631</u>	<u>638,631</u>	<u>697,123</u>	<u>58,492</u>
Expenditures:				
Current -				
Public works			3,026	(3,026)
Capital outlay	469,516	1,346,365	519,646	826,719
Debt service -				
Principal	166,774	166,774	86,774	80,000
Interest and fiscal charges	19,627	19,627	15,227	4,400
Total expenditures	<u>655,917</u>	<u>1,532,766</u>	<u>624,673</u>	<u>908,093</u>
Excess (deficiency) of revenues over expenditures	<u>(17,286)</u>	<u>(894,135)</u>	<u>72,450</u>	<u>966,585</u>
Other financing sources (uses):				
Transfers out	(18,019)	(18,019)	(18,019)	
Total other financing sources (uses)	<u>(18,019)</u>	<u>(18,019)</u>	<u>(18,019)</u>	
Change in fund balances	<u>(35,305)</u>	<u>(912,154)</u>	<u>54,431</u>	<u>966,585</u>
Fund balances, July 1, 2008	812,194	1,686,215	1,667,596	(18,619)
Fund balances, June 30, 2009	<u>\$ 776,889</u>	<u>\$ 774,061</u>	<u>\$ 1,722,027</u>	<u>\$ 947,966</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAIL IMPACT FEES FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 10,000	\$ 10,000	\$ 9,756	\$ (244)
Investment income	1,000	1,000	170	(830)
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>9,926</u>	<u>(1,074)</u>
Expenditures:				
Capital outlay	18,500	111,041	1,020	110,021
Total expenditures	<u>18,500</u>	<u>111,041</u>	<u>1,020</u>	<u>110,021</u>
Excess (deficiency) of revenues over expenditures	<u>(7,500)</u>	<u>(100,041)</u>	<u>8,906</u>	<u>108,947</u>
Other financing sources (uses):				
Transfers out	(330)	(330)	(330)	
Total other financing sources (uses)	<u>(330)</u>	<u>(330)</u>	<u>(330)</u>	
Change in fund balances	<u>(7,830)</u>	<u>(100,371)</u>	<u>8,576</u>	<u>108,947</u>
Fund balances, July 1, 2008	22,074	114,615	114,615	
Fund balances, June 30, 2009	<u>\$ 14,244</u>	<u>\$ 14,244</u>	<u>\$ 123,191</u>	<u>\$ 108,947</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARK IMPACT FEES FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 200,000	\$ 75,000	\$ 103,890	\$ 28,890
Investment income	10,000	10,000	6,502	(3,498)
Total revenues	<u>210,000</u>	<u>85,000</u>	<u>110,392</u>	<u>25,392</u>
Expenditures:				
Capital outlay	119,410	713,596	74,659	638,937
Total expenditures	<u>119,410</u>	<u>713,596</u>	<u>74,659</u>	<u>638,937</u>
Excess (deficiency) of revenues over expenditures	<u>90,590</u>	<u>(628,596)</u>	<u>35,733</u>	<u>664,329</u>
Other financing sources (uses):				
Transfers out	(6,300)	(6,300)	(6,300)	
Total other financing sources (uses)	<u>(6,300)</u>	<u>(6,300)</u>	<u>(6,300)</u>	
Change in fund balances	<u>84,290</u>	<u>(634,896)</u>	<u>29,433</u>	<u>664,329</u>
Fund balances, July 1, 2008	339,282	977,878	972,259	(5,619)
Fund balances, June 30, 2009	<u>\$ 423,572</u>	<u>\$ 342,982</u>	<u>\$ 1,001,692</u>	<u>\$ 658,710</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY IMPACT FEES FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Impact fees	\$ 200,000	\$ 200,000	\$ 181,997	\$ (18,003)
Investment income	15,000	15,000	6,210	(8,790)
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>188,207</u>	<u>(26,793)</u>
Expenditures:				
Capital outlay	370,410	676,436	177,625	498,811
Total expenditures	<u>370,410</u>	<u>676,436</u>	<u>177,625</u>	<u>498,811</u>
Excess (deficiency) of revenues over expenditures	<u>(155,410)</u>	<u>(461,436)</u>	<u>10,582</u>	<u>472,018</u>
Other financing sources (uses):				
Transfers out	(6,000)	(6,000)	(6,000)	
Total other financing sources (uses)	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	
Change in fund balances	<u>(161,410)</u>	<u>(467,436)</u>	<u>4,582</u>	<u>472,018</u>
Fund balances, July 1, 2008	433,640	743,063	578,385	(164,678)
Fund balances, June 30, 2009	<u>\$ 272,230</u>	<u>\$ 275,627</u>	<u>\$ 582,967</u>	<u>\$ 307,340</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DRAINAGE IMPACT FEES FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Impact fees	\$ 491,150	\$ 331,150	\$ 346,080	\$ 14,930
Investment income	15,000	15,000	12,341	(2,659)
Total revenues	<u>506,150</u>	<u>346,150</u>	<u>358,421</u>	<u>12,271</u>
Expenditures:				
Capital outlay	250,000	711,076	220,839	490,237
Total expenditures	<u>250,000</u>	<u>711,076</u>	<u>220,839</u>	<u>490,237</u>
Excess (deficiency) of revenues over expenditures	<u>256,150</u>	<u>(364,926)</u>	<u>137,582</u>	<u>502,508</u>
Other financing sources (uses):				
Transfers out	(14,734)	(9,934)	(9,934)	
Total other financing sources (uses)	<u>(14,734)</u>	<u>(9,934)</u>	<u>(9,934)</u>	
Change in fund balances	<u>241,416</u>	<u>(374,860)</u>	<u>127,648</u>	<u>502,508</u>
Fund balances, July 1, 2008	234,588	805,664	805,664	
Fund balances, June 30, 2009	<u>\$ 476,004</u>	<u>\$ 430,804</u>	<u>\$ 933,312</u>	<u>\$ 502,508</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SOLID WASTE DISPOSAL-INDIGENT FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Contributions and donations	\$ 10,000	\$ 10,000	\$ 11,000	\$ 1,000
Investment income			16	16
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>11,016</u>	<u>1,016</u>
Expenditures:				
Current -				
General government	22,440	22,440	13,000	9,440
Total expenditures	<u>22,440</u>	<u>22,440</u>	<u>13,000</u>	<u>9,440</u>
Change in fund balances	<u>(12,440)</u>	<u>(12,440)</u>	<u>(1,984)</u>	<u>10,456</u>
Fund balances, July 1, 2008	12,440	12,440	12,440	
Fund balances, June 30, 2009	<u>\$</u>	<u>\$</u>	<u>\$ 10,456</u>	<u>\$ 10,456</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITIES FUND
YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services - water	\$ 16,817,969	\$ 15,668,203	\$ 14,267,148	\$ (1,401,055)
Charges for services - wastewater	11,801,600	11,701,600	12,628,832	927,232
Interest on investments	1,017,500	603,900	1,155,263	551,363
Intergovernmental federal		9,438,716	5,446,179	(3,992,537)
Intergovernmental state	975,000	783,798	2,237,778	1,453,980
Intergovernmental county		1,483,643	635,893	(847,750)
Impact fees	974,520	974,520	1,111,146	136,626
Other revenues			54,640	54,640
Total revenues	<u>31,586,589</u>	<u>40,654,380</u>	<u>37,536,879</u>	<u>(3,117,501)</u>
Expenditures:				
Operations	15,930,646	17,516,271	13,764,926	3,751,345
Capital outlay	9,007,386	77,749,079	37,663,920	40,085,159
Debt service -				
Principal	4,662,427	4,917,427	4,785,000	132,427
Interest and fiscal charges	6,219,972	6,683,317	6,097,757	585,560
Other expenditures			199,746	(199,746)
Total expenditures	<u>35,820,431</u>	<u>106,866,094</u>	<u>62,511,349</u>	<u>44,354,745</u>
Excess of revenues over (under) expenditures	<u>\$ (4,233,842)</u>	<u>\$ (66,211,714)</u>	<u>(24,974,470)</u>	<u>\$ (47,472,246)</u>
Revenues (expenses) not budgeted:				
Amortization			(508,406)	
Depreciation			(4,154,423)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			4,785,000	
Capital contributions			494,560	
Capital outlay			37,663,920	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ 13,306,181</u>	

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
MULTI-PURPOSE EVENT CENTER FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,020,000	\$ 1,727,151	\$ 1,249,508	\$ (477,643)
Interest on investments	83,192	52,999	36,308	(16,691)
Intergovernmental state	2,000,000	2,000,000	2,315,000	315,000
Other revenues		476,817	476,814	(3)
Total revenues	<u>3,103,192</u>	<u>4,256,967</u>	<u>4,077,630</u>	<u>(179,337)</u>
Expenditures:				
Operations	170,000	1,261,523	1,133,189	128,334
Debt service -				
Principal	1,165,000	1,165,000	1,165,000	
Interest and fiscal charges	1,846,746	1,846,746	1,705,766	140,980
Total expenditures	<u>3,181,746</u>	<u>4,273,269</u>	<u>4,003,955</u>	<u>269,314</u>
Excess of revenues over (under) expenditures	<u>\$ (78,554)</u>	<u>\$ (16,302)</u>	73,675	<u>\$ (448,651)</u>
Revenues (expenses) not budgeted:				
Amortization			(39,217)	
Depreciation			(867,559)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			1,165,000	
Capital contributions			26,591	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ 358,490</u>	

AGENCY FUNDS

Special Assessment District Operations Fund – To account for Special Assessment District administrative fees which may be used for collection or other expenditures related to the administration of Special Assessment Districts.

Special Assessment District VI Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district six projects debt service.

Special Assessment District VII Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district seven projects debt service.

Special Assessment District V Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district five projects debt service.

Gross Receipts Incentive Program (GRIP) Fund – To account for funds held by the City for reimbursement to retail businesses which generate significant gross receipts tax revenue to the City.

Municipal Court Fund – To account for collections and payments of court fines, criminal bonds and other fees from and on behalf of the public.

Motor Vehicle Division Fund – To account for license fees and revenue collected by the City as agent for the Motor Vehicle Division, State of New Mexico as allowed by New Mexico State Statute, Section 66.

Rio Rancho Economic Development Fund – To account for contributions from builders for the Rio Rancho Economic Development Corporation. The fund is a pass-through fund; all revenues collected are remitted to RREDC.

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2009

	Special Assessment District Operations Fund	Special Assessment District VI Bonds Fund	Special Assessment District VII Bonds Fund	Special Assessment District V Bonds Fund
<u>ASSETS</u>				
Cash and investments	\$ 2,473	\$ 791,618	\$ 717,266	\$ 4,013
Total assets	<u>\$ 2,473</u>	<u>\$ 791,618</u>	<u>\$ 717,266</u>	<u>\$ 4,013</u>
<u>LIABILITIES</u>				
Deposits held for others	2,473	791,618	717,266	4,013
Total liabilities	<u>\$ 2,473</u>	<u>\$ 791,618</u>	<u>\$ 717,266</u>	<u>\$ 4,013</u>

<u>GRIP Fund</u>	<u>Municipal Court Fund</u>	<u>Motor Vehicle Division Fund</u>	<u>Totals</u>
\$ 21,491	\$ 12,991	\$ 3,257	\$ 1,553,109
<u>\$ 21,491</u>	<u>\$ 12,991</u>	<u>\$ 3,257</u>	<u>\$ 1,553,109</u>
21,491	12,991	3,257	1,553,109
<u>\$ 21,491</u>	<u>\$ 12,991</u>	<u>\$ 3,257</u>	<u>\$ 1,553,109</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>SPECIAL ASSESSMENT DISTRICT OPERATIONS</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 61,769	\$ 59,296	\$ 2,473
Total assets	<u>\$ -</u>	<u>\$ 61,769</u>	<u>\$ 59,296</u>	<u>\$ 2,473</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 61,769	\$ 59,296	\$ 2,473
Total liabilities	<u>\$ -</u>	<u>\$ 61,769</u>	<u>\$ 59,296</u>	<u>\$ 2,473</u>
<u>SPECIAL ASSESSMENT DISTRICT VI BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,570,665	\$ 2,947,930	\$ 3,726,977	\$ 791,618
Total assets	<u>\$ 1,570,665</u>	<u>\$ 2,947,930</u>	<u>\$ 3,726,977</u>	<u>\$ 791,618</u>
<u>Liabilities</u>				
Deposits held for others	\$ 1,570,665	\$ 2,947,930	\$ 3,726,977	\$ 791,618
Total liabilities	<u>\$ 1,570,665</u>	<u>\$ 2,947,930</u>	<u>\$ 3,726,977</u>	<u>\$ 791,618</u>
<u>SPECIAL ASSESSMENT DISTRICT VII BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 741,077	\$ 23,811	\$ 717,266
Total assets	<u>\$ -</u>	<u>\$ 741,077</u>	<u>\$ 23,811</u>	<u>\$ 717,266</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 741,077	\$ 23,811	\$ 717,266
Total liabilities	<u>\$ -</u>	<u>\$ 741,077</u>	<u>\$ 23,811</u>	<u>\$ 717,266</u>
<u>SPECIAL ASSESSMENT DISTRICT V BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 101,316	\$ 92,567	\$ 189,870	\$ 4,013
Total assets	<u>\$ 101,316</u>	<u>\$ 92,567</u>	<u>\$ 189,870</u>	<u>\$ 4,013</u>
<u>Liabilities</u>				
Deposits held for others	\$ 101,316	\$ 92,567	\$ 189,870	\$ 4,013
Total liabilities	<u>\$ 101,316</u>	<u>\$ 92,567</u>	<u>\$ 189,870</u>	<u>\$ 4,013</u>

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>GROSS RECEIPTS INCENTIVE PROGRAM (GRIP)</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 124,756	\$ 103,265	\$ 21,491
Total assets	<u>\$ -</u>	<u>\$ 124,756</u>	<u>\$ 103,265</u>	<u>\$ 21,491</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 124,756	\$ 103,265	\$ 21,491
Total liabilities	<u>\$ -</u>	<u>\$ 124,756</u>	<u>\$ 103,265</u>	<u>\$ 21,491</u>
<u>MUNICIPAL COURT</u>				
<u>Assets</u>				
Cash and investments	\$ 20,945	\$ 74,424	\$ 82,378	\$ 12,991
Total assets	<u>\$ 20,945</u>	<u>\$ 74,424</u>	<u>\$ 82,378</u>	<u>\$ 12,991</u>
<u>Liabilities</u>				
Deposits held for others	\$ 20,945	\$ 74,424	\$ 82,378	\$ 12,991
Total liabilities	<u>\$ 20,945</u>	<u>\$ 74,424</u>	<u>\$ 82,378</u>	<u>\$ 12,991</u>
<u>MOTOR VEHICLE DIVISION</u>				
<u>Assets</u>				
Cash and investments	\$ 3,546	\$ 1,772,806	\$ 1,773,095	\$ 3,257
Total assets	<u>\$ 3,546</u>	<u>\$ 1,772,806</u>	<u>\$ 1,773,095</u>	<u>\$ 3,257</u>
<u>Liabilities</u>				
Deposits held for others	\$ 3,546	\$ 1,772,806	\$ 1,773,095	\$ 3,257
Total liabilities	<u>\$ 3,546</u>	<u>\$ 1,772,806</u>	<u>\$ 1,773,095</u>	<u>\$ 3,257</u>
<u>RIO RANCHO ECONOMIC DEVELOPMENT</u>				
<u>Assets</u>				
Cash and investments	\$ 2,116	\$ 16,385	\$ 18,501	\$ -
Total assets	<u>\$ 2,116</u>	<u>\$ 16,385</u>	<u>\$ 18,501</u>	<u>\$ -</u>
<u>Liabilities</u>				
Deposits held for others	\$ 2,116	\$ 16,385	\$ 18,501	\$ -
Total liabilities	<u>\$ 2,116</u>	<u>\$ 16,385</u>	<u>\$ 18,501</u>	<u>\$ -</u>

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,698,588	\$ 5,831,714	\$ 5,977,193	\$ 1,553,109
Total assets	<u>\$ 1,698,588</u>	<u>\$ 5,831,714</u>	<u>\$ 5,977,193</u>	<u>\$ 1,553,109</u>
<u>Liabilities</u>				
Deposits held for others	\$ 1,698,588	\$ 5,831,714	\$ 5,977,193	\$ 1,553,109
Total liabilities	<u>\$ 1,698,588</u>	<u>\$ 5,831,714</u>	<u>\$ 5,977,193</u>	<u>\$ 1,553,109</u>

**OTHER SUPPLEMENTAL INFORMATION REQUIRED
BY THE NEW MEXICO STATE AUDITOR**

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
AND PLEDGED COLLATERAL
June 30, 2009

DEPOSIT ACCOUNTS:

Financial Institution:		Balances	
Account Name	Account Type	Reconciled	On Deposit
Wells Fargo			
Operating	Checking	\$ 23,504,883	\$ 27,177,414
Operating	Savings	26,634,082	26,634,082
Pork n Brew	Checking	-	125
Motor Vehicle	Checking	3,257	33,543
Municipal Court - Bond	Checking	12,991	15,795
Total Wells Fargo Deposit Accounts		50,155,213	53,860,959
Total Deposit Accounts		\$ 50,155,213	\$ 53,860,959

INVESTMENT ACCOUNTS

Financial Institution:		Cost	Market
Account Name	Account Type		
State of New Mexico			
Local Government Investment Pool	Investment	\$ 35,708,147	\$ 35,708,147
Total State of New Mexico Investment Accounts		35,708,147	35,708,147
New York Bank			
Money Market - U.S. Treasury	Investment	685,069	685,069
Total New York Bank Investment Accounts		685,069	685,069
Wells Fargo Bank			
CD	Investment	1,918,000	1,918,000
Commerical Paper	Investment	9,963,107	9,957,428
Total Wells Fargo Bank Investment Accounts		11,881,107	11,875,428
Total Investment Accounts		\$ 48,274,323	\$ 48,268,644

PLEDGED COLLATERAL

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Wells Fargo	FNCL	31371MU96	San Francisco, CA	07/01/36	10,269,289
Wells Fargo	FNCL	31371MU96	San Francisco, CA	07/01/36	2,552,131
Wells Fargo	FNCL	31412FMN0	San Francisco, CA	04/01/37	34,968,807
Total Pledged Collateral					\$ 47,790,227

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2009

Participants: New Mexico Energy, Minerals, and Natural Resources Department, State Forestry Division (EMNRD)

Responsible Party: EMNRD

Description: The control of timer, grass, and woodland fires in and adjacent to suburban areas is essential to an effective fire control program ("Program"). The City and EMNRD agree to maintain, in accordance with the "Program," to provide a cooperative fire protection system covering any or all private, County, non-municipal, and state lands within or adjacent to the City.

Date of Agreement: 7/1/2006 to 7/1/2011

Total Amount/City Share: Cost shared per occurrence

Fiscal Year 2009 Amount: \$-0-

Audit Responsibility: City and EMNRD

Participants: City of Rio Rancho, County of Sandoval, Village of Corrales, Town of Bernalillo, and Pueblo of Santa Ana

Responsible Party: Sandoval County Regional Emergency Communications Center (SCRECC)

Description: Operating, administering, and maintaining a joint enhanced 911 Regional Communications Center to provide emergency telephone access for the citizens of the parties' agreement and to provide for the emergency communications needs of the public safety agencies of the parties' agreement.

Dates of Agreement: 8/25/08-indefinite

Total Amount/City Share: 50.8930%

Fiscal Year 2009 Amount: \$1,250,642

Audit Responsibility: Sandoval County Regional Emergency Communications Center Board.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2009
(Cont'd)

Participants: New Mexico Self-Insurer's Fund (NMSIF)

Responsible Party: The Board of Trustees

Description: To permit the members joining herein to make a more efficient use of their powers and resources by cooperating on a basis that will be of mutual advantage; and to provide a procedure for securing benefits, services, indemnification or protection for members and their employees relating to insurance or self-insurance.

Dates of Agreement: 7/1/96 – indefinite.

Total Amount/City Share: City share 100%.

Fiscal Year 2009 Amount: \$1,090,105

Audit Responsibility: NMSIF

Participants: New Mexico Taxation & Revenue Department

Responsible Party: N/A

Description: Appointment as agent for issuance of Tax ID

Dates of Agreement: 08/01/1988 - indefinite

Total Amount/City Share: N/A

Fiscal Year 2009 Amount: N/A

Audit Responsibility: N/A

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2009
(Concl'd)

Participants: New Mexico Energy, Minerals, and Natural Resources Department,
State Forestry Division (EMNRD)

Responsible Party: EMNRD

Description: Use of inmate crews to perform natural resource improvements to City
property and provide vocational training for inmates classified by the
Corrections Department as minimum-security inmates.

Dates of Agreement: December 1, 2003, until terminated by either party

Total Amount/City Share: N/A

Fiscal Year 2009 Amount: N/A

Audit Responsibility: N/A

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Rio Rancho's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>CONTENTS</u>	<u>Page</u>
FINANCIAL TRENDS	199
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
REVENUE CAPACITY	206
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
DEBT CAPACITY	211
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	216
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
OPERATING INFORMATION	220
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

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City of Rio Rancho, New Mexico
Net Assets By Component
Last Seven Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 20,680,510	\$ 27,306,972	\$ 98,222,797	\$ 159,084,358	\$ 184,408,573	\$ 197,267,351	\$ 206,205,225
Restricted	4,839,243	5,203,879	30,233,533	36,157,574	19,344,282	8,797,171	8,006,271
Unrestricted	12,483,992	15,762,666	(1,967,967)	653,855	18,443,967	22,168,709	17,829,165
Total governmental activities net assets	\$ 38,003,745	\$ 48,273,517	\$ 126,488,363	\$ 195,895,787	\$ 222,196,822	\$ 228,233,231	\$ 232,040,661
Business-type activities							
Invested in capital assets, net of related debt	\$ (3,234,236)	\$ 317,688	\$ 18,092,619	\$ 45,520,647	\$ 57,733,951	\$ 72,484,053	\$ 108,895,574
Restricted	2,675,000	2,985,858	3,615,705	8,378,213	11,581,655	11,284,077	8,813,942
Unrestricted	17,738,726	19,425,371	22,040,446	20,805,858	19,686,293	26,649,899	21,069,336
Total business-type activities net assets	\$ 17,179,490	\$ 22,728,917	\$ 43,748,770	\$ 74,704,718	\$ 89,001,899	\$ 110,418,029	\$ 138,778,852
Primary government							
Invested in capital assets, net of related debt	\$ 17,446,274	\$ 27,624,660	\$ 116,315,416	\$ 204,605,005	\$ 242,142,524	\$ 269,751,404	\$ 315,100,799
Restricted	7,514,243	8,189,737	33,849,238	44,535,787	30,925,937	20,081,248	16,820,213
Unrestricted	30,222,718	35,188,037	20,072,479	21,459,713	38,130,260	48,818,608	38,898,501
Total primary government net assets	\$ 55,183,235	\$ 71,002,434	\$ 170,237,133	\$ 270,600,505	\$ 311,198,721	\$ 338,651,260	\$ 370,819,513

Source: The City's Financial Records, Financial Services Department

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

The significant increase in net assets in fiscal year 2005 is due to the addition of infrastructure assets.

City of Rio Rancho, New Mexico

Changes in Net Assets

Last Seven Years

(accrual basis of accounting)

Schedule 2

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 6,115,635	\$ 4,195,285	\$ 4,274,259	\$ 4,749,168	\$ 9,446,698	\$ 10,106,998	\$ 8,726,702
Public safety	12,485,446	14,207,384	15,528,740	18,308,571	22,755,627	30,453,273	28,644,454
Public works	8,159,140	4,309,312	9,488,494	12,893,315	15,388,104	18,078,174	16,119,562
Culture and recreation	5,525,730	5,810,516	6,216,143	7,383,200	8,877,320	9,478,686	10,277,960
Economic development	1,227,959	1,440,044	2,029,354	2,626,428	2,944,345	3,507,872	3,477,853
Interest on long-term debt	744,561	660,836	659,268	1,323,496	1,943,996	1,583,622	1,918,399
Total government activities expenses	34,258,471	30,623,377	38,196,258	47,284,178	61,356,090	73,208,625	69,164,930
Business-type activities:							
Water	8,925,793	8,690,738	9,752,369	11,898,363	10,763,072	12,326,747	11,894,252
Wastewater	6,852,884	6,828,437	7,062,060	7,562,599	8,739,795	11,406,457	12,831,006
Event Center	-	-	292	1,663,068	2,682,495	2,116,636	1,430,731
Total business-type activities expenses	15,778,677	15,519,175	16,814,721	21,124,030	22,185,362	25,849,840	26,155,989
Total primary government expenses	\$ 50,037,148	\$ 46,142,552	\$ 55,010,979	\$ 68,408,208	\$ 83,541,452	\$ 99,058,465	\$ 95,320,919
Program revenues							
Governmental activities:							
Charge for services							
General government	\$ 553,585	\$ 891,490	\$ 1,127,678	\$ 1,321,470	\$ 1,234,218	\$ 1,304,678	\$ 1,324,081
Public safety	1,925,482	2,933,717	3,965,278	4,934,508	4,408,392	4,388,583	4,630,047
Public works	544,453	746,455	1,163,229	1,426,493	1,163,828	1,097,003	1,014,410
Culture and recreation	875,709	1,272,197	1,632,863	1,998,717	1,661,845	1,610,322	1,756,449
Economic development	143,258	219,479	436,865	622,809	490,463	495,912	515,304
Operating grants and contributions	1,205,804	2,369,464	1,620,825	1,424,185	2,564,015	3,660,574	3,308,384
Capital grants and contributions	2,837,716	1,009,062	1,789,291	28,864,918	25,160,023	15,336,888	12,616,188
Total governmental activities program revenues	8,086,007	9,441,864	11,736,029	40,593,100	36,682,784	27,893,960	25,164,863
Business-type activities:							
Charge for services:							
Water	9,448,793	10,213,127	12,148,637	15,458,413	13,535,909	17,048,390	14,267,148
Wastewater	7,108,219	7,932,644	8,737,224	9,825,367	11,066,613	11,623,418	12,628,832
Event Center	-	-	14,600	159,074	1,161,574	864,634	1,249,508
Operating grants and contributions	146,378	352,127	-	-	150,000	1,650,000	-
Capital grants and contributions	16,703,390	18,497,898	4,617,957	18,313,509	7,130,740	13,320,728	9,952,147
Total business-type activities program revenues	24,789,397	27,939,762	25,518,418	43,756,363	33,044,836	44,507,170	38,097,635
Total primary government program revenues	\$ 24,789,397	\$ 27,939,762	\$ 37,254,447	\$ 84,349,463	\$ 69,727,620	\$ 72,401,130	\$ 63,262,498

Source: The City's Financial Records, Financial Services Department

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Schedule 2
(Concl'd)

Fiscal Year

Fiscal Year

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes:

Property taxes	\$ 6,689,973	\$ 6,804,458	\$ 7,447,467	\$ 8,394,598	\$ 9,759,949	\$ 12,857,673	\$ 14,484,127
Gross receipts taxes	9,786,994	9,920,581	13,120,239	19,526,233	18,858,973	18,148,103	15,720,986
Franchise taxes	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269
Unrestricted grants, aid and state shared revenues	8,876,352	9,848,581	11,218,874	13,034,242	15,969,522	14,268,918	13,425,817
Investment income	261,638	241,122	485,905	2,004,373	2,881,181	1,167,530	284,896
Miscellaneous	105,043	73,290	70,498	15,590	704,101	2,010,150	903,402
Impact fees (A)	1,377,679	2,330,707	3,527,405	-	-	-	-

Impact fees (A)

Total governmental activities	29,205,983	31,451,285	38,171,521	45,667,921	50,974,341	51,351,074	47,807,491
Business-type activities							
Investment income	293,196	301,144	418,277	2,611,880	3,437,707	2,711,197	1,191,571
Miscellaneous	-	-	-	-	-	47,603	531,454
Impact fees (A)	1,165,174	2,269,560	3,629,855	-	-	-	-
Total business-type activities	1,458,370	2,570,704	4,048,132	2,611,880	3,437,707	2,758,800	1,723,025
Total primary government	\$ 30,664,353	\$ 34,021,989	\$ 42,219,653	\$ 48,279,801	\$ 54,412,048	\$ 54,109,874	\$ 49,530,522

Total primary government

Change in Net Assets

	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities	3,033,519	10,269,772	11,711,292	38,976,843	26,301,035	6,036,409	3,807,430		
Business-type activities	2,383,083	5,549,427	12,751,829	25,244,213	14,297,181	21,416,130	13,664,671		
Total primary government	5,416,602	15,819,199	24,463,121	64,221,056	40,598,216	27,452,539	17,472,101		

Total primary government

Source: The City's Financial Records, Financial Services Department

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

(A) - Beginning in fiscal year 2006, impact fees are reclassified as Capital Grants and Contributions.

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City of Rio Rancho, New Mexico
Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Unreserved	\$ 6,738,485	\$ 7,947,671	\$ 6,954,382	\$ 9,499,506	\$ 11,670,614	\$ 15,456,118	\$ 20,969,824	\$ 19,180,448	\$ 13,787,854	\$ 9,600,869
Total general fund	\$ 6,738,485	\$ 7,947,671	\$ 6,954,382	\$ 9,499,506	\$ 11,670,614	\$ 15,456,118	\$ 20,969,824	\$ 19,180,448	\$ 13,787,854	\$ 9,600,869
All other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	\$ 2,851,864	\$ 3,087,709	\$ 2,807,871	\$ 2,116,294	\$ 3,705,958	\$ 4,167,797	\$ 5,649,848	\$ 6,602,598	\$ 5,754,154	\$ 7,222,212
Capital project funds	1,782,081	2,443,365	7,735,923	3,984,257	5,718,637	32,834,006	39,254,295	24,834,816	11,381,019	39,219,423
Debt service funds	2,990,769	6,093,736	2,997,232	2,268,155	1,399,764	1,441,050	1,885,213	1,609,098	3,848,464	4,276,390
Total all other governmental funds	\$ 7,624,714	\$ 11,624,810	\$ 13,541,026	\$ 8,368,706	\$ 10,824,359	\$ 38,442,853	\$ 46,789,356	\$ 33,046,512	\$ 20,983,637	\$ 50,718,025

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Changes in Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$ 20,173,498	\$ 20,027,275	\$ 19,536,360	\$ 24,742,640	\$ 26,582,465	\$ 31,794,472	\$ 40,938,066	\$ 44,497,571	\$ 44,647,539	\$ 43,369,647
Licenses and permits	317,379	285,032	395,916	311,528	365,929	388,605	379,136	375,559	362,924	309,310
Intergovernmental	2,331,871	1,971,958	2,870,889	4,013,780	3,336,576	3,102,857	6,843,550	14,967,100	7,160,889	8,302,542
Impact fees	-	-	-	1,377,679	2,330,707	3,527,405	3,656,952	3,346,000	1,969,502	1,312,729
Charges for services	3,672,019	4,284,811	4,101,025	2,552,937	3,855,894	5,902,794	7,650,816	6,266,634	5,798,568	5,383,534
Fines and forfeits	573,141	537,532	375,396	767,544	965,513	1,051,048	1,076,497	1,158,149	1,176,750	1,222,371
Franchise fees	1,699,143	1,842,634	2,050,932	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269
Contributions and donations	66,847	38,682	40,187	192,282	50,559	168,816	2,129,098	1,707,453	35,554	81,493
Investment income	657,857	770,370	490,754	261,638	241,246	485,905	2,004,373	2,881,181	1,574,356	284,896
Other revenues	678,630	376,500	605,424	573,205	1,029,552	1,272,014	2,458,128	1,859,006	3,089,261	3,228,478
Total revenues	\$ 30,170,385	\$ 30,134,794	\$ 30,466,883	\$ 36,901,537	\$ 40,990,987	\$ 49,995,049	\$ 69,829,501	\$ 79,859,268	\$ 68,714,043	\$ 66,483,269
Expenditures:										
Current -										
General government	\$ 4,132,723	\$ 3,778,539	\$ 3,489,828	\$ 3,234,328	\$ 4,132,923	\$ 4,118,240	\$ 4,620,073	\$ 9,116,075	\$ 8,741,072	\$ 8,176,267
Public safety	10,979,531	11,646,244	11,910,044	11,514,788	13,322,440	14,309,389	17,415,423	21,579,173	26,644,563	26,989,915
Public works	2,819,195	3,020,721	4,886,254	3,769,896	3,908,421	4,787,679	5,917,153	8,836,988	10,584,274	8,885,685
Cultural and recreation	3,717,521	3,718,961	4,497,924	4,846,580	5,410,416	5,776,812	7,001,339	8,286,106	8,716,377	9,290,738
Economic development	1,017,689	1,153,218	1,283,781	1,234,514	1,404,916	1,961,868	2,557,163	2,864,539	3,467,383	3,428,467
Other expenses	-	-	-	-	-	-	-	-	-	11,500
Capital outlay	4,697,087	2,701,572	3,635,519	11,751,245	5,833,961	8,734,020	20,793,304	42,447,948	23,399,838	12,878,264
Debt service -	-	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	660,060	-	-	-	-	-
Principal	1,117,503	1,195,000	1,515,254	3,338,249	2,270,869	2,452,119	2,827,984	3,128,174	2,097,825	4,790,762
Interest and fiscal charges	828,964	740,242	616,721	744,561	648,944	640,372	1,338,273	1,958,773	1,601,563	1,839,743
Bond issuance costs	-	-	-	-	113,371	386,061	135,027	-	-	85,097
Total expenditures	29,310,213	27,954,497	31,835,325	40,434,161	37,706,321	43,166,560	62,605,739	98,217,776	85,252,895	76,376,438
Excess of revenues over (under) expenditures	\$ 860,172	\$ 2,180,297	\$ (1,368,442)	\$ (3,532,624)	\$ 3,284,666	\$ 6,828,489	\$ 7,223,762	\$ (18,358,508)	\$ (16,538,852)	\$ (9,893,169)

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Changes in Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses):										
Issuance of general obligation bonds	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ 5,500,000	\$ 7,000,000	\$ -	\$ -	\$ 25,554,472
Issuance of revenue bonds	-	-	-	-	4,465,000	18,130,000	-	-	-	-
Loan proceeds	-	-	-	1,371,188	-	215,556	-	2,696,286	231,639	9,886,100
Premium on sale of bonds	-	-	-	-	105,708	1,014,543	310,182	-	-	-
Transfer in	841,510	566,616	476,698	1,468,764	1,500,814	4,151,710	7,058,925	12,410,603	7,204,181	2,987,569
Payment to bond escrow agent	-	-	-	-	(3,347,215)	-	-	-	-	-
Transfer out	(841,510)	(566,616)	(476,698)	(1,468,764)	(1,500,814)	(4,151,710)	(7,058,925)	(12,410,603)	(7,204,181)	(2,987,569)
Total other financing sources (uses)	-	-	5,000,000	1,371,188	1,223,493	24,860,099	7,310,182	2,696,286	231,639	35,440,572

Net Change in fund balances \$ 860,172 \$ 2,180,297 \$ 3,631,558 \$ (2,161,436) \$ 4,626,761 \$ 31,403,998 \$ 13,860,209 \$(15,532,220) \$(17,455,469) \$ 25,547,403

Debt service as a percentage of noncapital expenditures 7.91% 7.66% 7.56% 10.89% 11.04% 8.60% 12.79% 9.04% 6.04% 10.05%

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Taxable and Full Value of Property
Last Ten Fiscal Years

Fiscal Year	Sandoval County										Rio Rancho Share in Sandoval County Net Taxable Value		
	Residential property				Commercial Property		Less: Tax-exempt Property					Total	
	Taxable Value		Full Value		Taxable Value	Full Value	Taxable Value		Full Value	Total			
	Taxable Value	Full Value	Taxable Value	Full Value	Taxable Value	Full Value	Net Taxable Value	Full Value	Direct Tax Rate	Net Value Rio Rancho			
2000	955,184,924	N/A	373,274,077	N/A	119,544,280	1,208,914,721	3,865,832,723	6.96	268,907,324	22%			
2001	1,008,808,879	3,026,426,637	364,278,356	1,092,835,068	120,598,543	1,252,488,692	3,998,663,162	7.06	282,185,659	23%			
2002	1,087,166,242	3,261,498,726	468,369,933	1,405,109,799	125,337,156	1,430,199,019	4,541,271,369	7.98	362,529,693	25%			
2003	1,181,396,970	3,544,190,910	386,437,811	1,159,313,433	139,285,763	1,428,549,018	4,564,218,580	8.30	378,875,784	27%			
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2005	1,441,214,926	1,921,619,853	435,359,989	580,479,971	164,240,183	1,712,334,732	2,283,112,919	8.35	190,708,422	11%			
2006	1,702,012,677	2,269,350,179	467,597,877	623,463,820	175,879,345	1,993,731,209	2,658,308,212	7.96	211,601,334	11%			
2007	2,076,419,611	2,768,559,412	972,070,958	1,296,094,578	221,336,819	2,827,153,750	3,769,538,239	7.97	300,582,979	11%			
2008	2,352,908,682	3,137,211,498	1,015,360,974	1,353,814,598	241,137,494	3,127,132,162	4,169,509,445	7.91	329,683,112	11%			
2009	2,554,628,852	3,406,171,718	861,081,854	1,148,109,110	249,476,650	3,166,234,056	4,221,645,302	8.01	338,153,789	11%			

Source: Sandoval County Assessor's Office Valuation Summary 2000 through 2003, Sandoval County Assessor's Office Abstract 2005 through 2009.

Notes: Full value figures for residential and commercial property are unavailable for 2000, only the total full value is available.

No information is available for 2004.

City of Rio Rancho, New Mexico
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Schedule 6

Fiscal Year	City of Rio Rancho			Overlapping Rates				Total
	General Fund	Debt Service Fund	Total	State	County	School District	Central NM Comm. College	
2000	5.816	1.140	6.956	1.529	5.516	10.735	2.989	27.725
2001	5.917	1.140	7.057	1.765	5.620	10.762	3.008	28.212
2002	5.983	2.000	7.983	1.123	5.713	10.750	3.008	28.577
2003	6.227	2.074	8.301	1.520	5.759	10.758	3.011	29.349
2004	6.300	2.067	8.367	1.028	6.940	10.760	3.019	30.114
2005	6.286	2.067	8.353	1.234	6.384	10.756	3.038	29.765
2006	6.138	1.826	7.964	1.291	6.271	10.704	3.027	29.257
2007	5.914	2.060	7.974	1.221	5.800	10.624	2.992	28.611
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.989	28.413
2009	5.944	2.067	8.011	1.150	5.809	10.635	7.296	32.901

Source: State of New Mexico Department of Finance and Administration

City of Rio Rancho, New Mexico
Principal Property Tax Payers
Current Year and Three Years Ago

Schedule 7

Tax Payer	2008		2005 (B)	
	Taxable Assessed Value (A)	Percent of Total Taxable Valuation	Taxable Assessed Value (A)	Percent of Total Taxable Valuation
Wal-Mart Stores	\$ 14,986,708	0.69%	\$ -	0.00%
Pulte Homes of New Mexico	14,470,976	0.67%	-	0.00%
Presbyterian Healthcare	13,807,186	0.64%	6,123,432	0.49%
Broadstone High Resort LLC	6,552,836	0.30%	-	0.00%
Sandia View LLC	6,243,752	0.29%	-	0.00%
CURB North Inc	6,022,140	0.28%	-	0.00%
PEAKS LLC	5,399,735	0.25%	-	0.00%
Enchanted Vista Phse II	4,713,067	0.22%	-	0.00%
Rio Rancho Community Inc.	4,444,052	0.20%	-	0.00%
Sandia Springs Assisted Living	3,696,143	0.17%	-	0.00%
Meadowlark Apartments	-	0.00%	2,536,400	0.20%
PNM	-	0.00%	19,672,866	1.57%
Qwest	-	0.00%	5,040,773	0.40%
G & I III Pinnacle High Resort	-	0.00%	5,950,897	0.48%
Leisure Care, Inc.	-	0.00%	3,098,353	0.25%
U.S. Cotton	-	0.00%	2,826,114	0.23%
Fulcrum Building, Inc.	-	0.00%	2,259,561	0.18%
Target	-	0.00%	2,043,463	0.16%
Total	\$ 80,336,595	3.71%	\$ 49,551,859	3.97%

Source: Sandoval County Assessor's Office

Note: The fiscal year for collection is November through October. This schedule uses the 2009 collection year information.

(A) - The large difference between Taxable Assessed Values from 2005 to 2008 is due to increases in assessed valuations from the County Assessor's Office based on the latest property price information.
Land values had previously been greatly undervalued due to lack of accurate information on sale prices of land.

(B) - Information is not available for nine (9) years prior.

City of Rio Rancho, New Mexico
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (A)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collection (A)	Total Tax Collection	Ratio of Total		Ratio of
		Amount (A)	Percentage			Tax Collections to Total Tax	Outstanding Delinquent Taxes	
1999	4,427,924	4,423,642	100%	813	4,424,455	100%	3,469	0%
2000	4,765,427	4,758,187	100%	2,337	4,760,524	100%	4,903	0%
2001	5,162,406	5,152,438	100%	4,742	5,157,180	100%	5,226	0%
2002	6,274,889	6,253,030	100%	12,696	6,265,726	100%	9,163	0%
2003	6,935,320	6,868,363	99%	46,857	6,915,220	100%	20,101	0%
2004	7,538,650	7,299,238	97%	191,081	7,490,320	99%	68,330	1%
2005	8,454,578	8,135,231	96%	231,028	8,366,259	99%	319,348	4%
2006	9,679,603	9,297,367	96%	289,712	9,587,079	99%	382,236	4%
2007	12,896,884	12,231,289	95%	422,973	12,654,261	98%	665,595	5%
2008	14,649,411	13,790,591	94%	-	13,790,591	94%	858,820	6%

Source: Sandoval County Treasurer's Office

(A) - Subject to change each day due to additions and deletions of levied and collected amounts.

City of Rio Rancho, New Mexico

Schedule 9

Taxable Gross Receipts by Type of Trade
Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Construction	\$ 82,942,594	\$ 92,796,637	\$ 119,905,115	\$ 132,253,800	\$ 165,091,463	\$ 256,139,117	\$ 393,313,384	\$ 490,940,456	\$ 375,570,976	\$ 266,089,467
Manufacturing	11,355,050	10,130,287	10,354,938	11,248,498	9,832,558	8,021,933	8,226,714	14,124,152	10,518,506	12,671,847
Transportation, Communication and Utility	75,436,983	84,499,054	80,760,303	75,561,870	85,778,516	97,765,401	109,619,203	110,037,820	98,640,371	107,587,644
Wholesale	7,226,060	7,675,161	7,118,861	9,861,828	12,215,397	11,836,622	13,745,588	11,293,040	11,301,564	9,110,123
Retail	183,917,424	205,587,902	195,299,852	196,833,445	216,675,986	226,347,806	280,255,799	402,411,448	455,834,662	380,784,663
Finance, Insurance and Real Estate	19,510,348	9,993,040	7,629,312	10,546,012	10,239,936	14,928,802	32,469,846	32,486,743	29,108,506	20,584,655
Services	91,636,902	108,574,536	120,057,168	121,770,994	158,635,704	174,467,008	161,736,299	172,096,364	199,175,032	193,070,878
Other (A)	-	-	43,004	32,594,983	25,648,098	21,834,798	(9,632,397)	(22,743,369)	(102,518,633)	(20,924,025)
Total Taxable Gross Receipts	\$472,025,361	\$519,256,617	\$541,168,553	\$590,671,430	\$684,117,658	\$811,341,487	\$989,734,436	\$ 1,210,646,654	\$1,077,630,984	\$ 968,975,252
City direct sales tax rate	6.1875%	6.1875%	6.1875%	6.1875%	6.1875%	6.6875%	6.6875%	6.6875%	6.6875%	6.9375%
Sandoval County direct sales tax rate	5.7500%	5.7500%	5.7500%	5.7500%	5.7500%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%

Source: State of New Mexico, Department of Taxation and Revenue

Notes: Unable to provide schedule of Principal Sales Tax Remitters, per New Mexico Taxation and Revenue Laws and Regulations 2004 Edition, section 7-1-8, Confidentiality of returns and other information.

(A) - This category is made up of "undetermined establishments" due to adjustments of monthly reportings by the state, therefore, negative amounts may be reported.

City of Rio Rancho, New Mexico

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (A)	Per Capita
	General Obligation Bonds	GRT		Notes Payable	Revenue Bonds	Loan Payable			
		Revenue	Bonds						
2000	5,620,000	8,060,000		424,000	83,090,000	5,274,811	102,468,811	2.12%	1,979
2001	5,070,000	7,415,000		381,000	81,830,000	8,123,695	102,819,695	2.32%	1,967
2002	9,445,000	6,735,000		362,690	80,160,000	9,785,900	106,488,590	2.25%	1,975
2003	8,740,000	4,285,000		1,645,773	78,110,000	10,486,627	103,267,400	2.38%	1,842
2004	7,350,000	4,225,000		1,447,904	80,095,000	10,096,360	103,214,264	2.58%	1,754
2005	11,270,000	21,840,000		1,306,341	134,340,000	9,694,384	178,450,725	1.64%	2,858
2006	16,765,000	20,980,000		843,357	130,555,000	9,280,350	178,423,707	1.82%	2,687
2007	15,075,000	20,225,000		2,856,469	159,655,000	8,853,895	206,665,364	1.68%	2,886
2008	14,325,000	19,445,000		2,520,283	154,200,000	8,414,645	198,904,928	N/A	2,618
2009	36,075,000	18,645,000		11,665,621	158,460,000	8,032,219	232,877,840	N/A	2,924

Source: The City's Financial Records, Financial Services Department

(A) - This information uses Sandoval County Personal Income through 2007, this information is not available for 2008 and 2009. Years 2005 and 2006 have been amended.

City of Rio Rancho, New Mexico
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (A)
2000	5,620,000	738,162	4,881,838	0.67%	94.31
2001	5,070,000	754,918	4,315,082	0.56%	82.54
2002	9,445,000	744,387	8,700,613	1.07%	161.38
2003	8,740,000	1,406,030	7,333,970	0.85%	130.79
2004	7,350,000	1,383,965	5,966,035	0.64%	101.39
2005	11,270,000	1,296,944	9,973,056	0.95%	159.72
2006	16,765,000	1,469,470	15,295,530	1.22%	230.33
2007	15,075,000	1,506,930	13,568,070	0.74%	189.48
2008	14,325,000	3,584,693	10,740,307	0.51%	141.36
2009	36,075,000	3,893,758	32,181,242	1.48%	404.01

Source: The City's Financial Records, Financial Services Department

(A) - This information uses the Bureau of Business and Economic Research (BBER) City of Rio Rancho population estimation.

City of Rio Rancho, New Mexico
Computation of Direct and Overlapping Debt
As of June 30, 2009

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share Applicable to City</u>
Debt repaid with property taxes			
State of New Mexico	\$ 257,400,000	4.17%	\$ 10,722,699
Sandoval County	21,205,000	64.52	13,681,184
Central NM Community College	29,025,000	12.83	3,724,933
SCAFCA	18,510,000	84.34	15,611,968
Rio Rancho School District	101,430,000	95.76	97,125,340
Cabazon Public Improvement District	10,050,000	100.00	10,050,000
Mariposa East Public Improvement District	16,000,000	100.00	16,000,000
Subtotal, overlapping debt			166,916,124
City direct debt			<u>66,385,621</u>
Total direct & overlapping debt			<u>\$ 233,301,745</u>

Source: Sandoval County Assessor's Office

City of Rio Rancho, New Mexico
 Computation of Legal Debt Margin
 Last Ten Fiscal Years

Schedule 13

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$2,168,284,909
Debt limit (4% of assessed value)	86,731,396
Debt applicable to limit:	
General obligation bonds	36,075,000
Less: Amount set aside for	
repayment of general obligation debt	3,893,758
Total net debt applicable to limit	32,181,242
Legal debt margin	\$54,550,154

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 29,231,463	\$ 30,772,240	\$ 32,608,188	\$ 34,478,085	\$ 37,001,873	\$ 41,810,547	\$ 49,987,941	\$ 73,611,213	\$ 83,765,112	\$ 86,731,396
Total net debt applicable to limit	4,881,838	4,315,082	8,700,613	7,333,970	5,966,035	9,973,056	15,295,530	13,568,070	10,740,307	32,181,242
Total net debt applicable to the limit as a percentage of debt limit	16.70%	14.02%	26.68%	21.27%	16.12%	23.85%	30.60%	18.43%	12.82%	37.10%

Sources: The City's Financial Records, Financial Services Department and the Sandoval County Assessor's Office

City of Rio Rancho, New Mexico
Pledged Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Receipts Tax Bonds				Business-Type Bonds						
	Gross Receipts		Debt Service Requirements		Gross Revenues	Expenditures (A)	Debt Service Available for	Debt Service Requirements			Coverage
	Tax Increment	Principal	Interest	Total				Principal	Interest	Total	
2000	1,169,075	615,000	433,515	1,048,515	14,671,167	5,736,411	8,934,756	900,000	4,417,043	5,317,043	1.68
2001	1,120,117	645,000	435,668	1,080,668	14,194,116	5,116,088	9,078,028	1,260,000	4,377,330	5,637,330	1.61
2002	872,032	680,000	368,836	1,048,836	16,460,803	8,966,365	7,494,438	1,670,000	4,318,880	5,988,880	1.25
2003	3,664,165	*2,450,000	264,056	264,056	16,557,012	21,758,570	(5,201,558)	2,050,000	4,195,938	6,245,938	-0.83
2004	1,608,954	683,000	179,113	862,113	18,145,771	11,286,038	6,859,733	2,410,000	4,042,563	6,452,563	1.06
2005	762,300	515,000	137,581	652,581	20,900,461	19,513,838	1,386,623	2,730,000	4,047,077	6,777,077	0.20
2006	1,892,470	860,000	837,724	1,697,724	32,117,610	21,875,800	10,241,810	3,785,000	6,550,574	10,335,574	0.99
2007	1,704,815	755,000	938,480	1,693,480	31,911,403	24,744,962	7,166,441	3,830,000	6,342,361	10,172,361	0.70
2008	1,605,009	780,000	917,193	1,697,193	44,854,329	25,849,840	19,004,489	5,455,000	7,915,038	13,370,038	1.42
2009	1,753,444	800,000	904,774	1,704,774	38,515,780	27,985,218	10,530,562	5,950,000	7,817,123	13,767,123	0.76

Source: The City's Financial Records, Financial Services Department

(*) - The 2003 refunding bonds did not require a reserve, therefore, the City used the 1995 reserve requirement to make additional payments on the 1995 bonds.

(A) - Expenditures are calculated by adding the Operating and Nonoperating Expenses from the Statement of Revenues, Expenses, and Changes in Fund Net Assets for the Proprietary Funds.

City of Rio Rancho, New Mexico
Demographics and Economic Statistics
Last Ten Fiscal Years

Year	City		County Population	Personal Income	Per Capita Personal Income			Unemployment Rate		
	Population				U.S.	New Mexico	Sandoval County	U.S.	New Mexico	Sandoval County
2000	51,765		89,908	2,168,705	29,847	22,144	23,767	4.00%	5.00%	4.30%
2001	52,278		91,247	2,381,792	30,582	24,141	25,574	4.70%	4.90%	4.60%
2002	53,915		93,134	2,398,481	30,838	24,330	25,080	5.80%	5.50%	5.80%
2003	56,074		95,632	2,454,258	31,530	24,975	24,958	6.00%	5.90%	5.90%
2004	58,845		98,335	2,661,046	33,157	26,366	26,293	5.50%	5.80%	5.50%
2005	62,440		101,206	2,927,630	34,690	27,907	27,717	5.10%	5.20%	5.10%
2006	66,407		105,625	3,241,776	36,794	29,346	28,982	4.60%	4.20%	4.40%
2007	71,607		111,855	3,465,926	38,615	30,706	29,476	4.60%	3.50%	4.00%
2008	75,978		117,583	N/A	39,751	32,091	N/A	5.80%	4.20%	4.90%
2009	79,655		122,298	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Bureau of Business and Economic Research (BBER).

Notes: Personal income, per capita income and unemployment rates are only available for the county, not for the city.

Personal income and per capita personal income for Sandoval county is not available for 2008.

No information except city and county population is available for 2009.

City of Rio Rancho, New Mexico
Principal Employers
Current Year and Eight Years Ago

Schedule 16

<u>Employer</u>	<u>2009 (B)</u>			<u>2001 (A)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Intel Corporation	3,300	1	6%	5,800	1	21%
Rio Rancho Public Schools	1,838	2	3%	1,042	4	4%
Intel Subcontractors	1,300	3	2%	2,000	2	7%
Sprint PCS	800	4	1%	1,200	3	4%
Bank of America Banking Services	700	5	1%	400	8	1%
City of Rio Rancho	633	6	1%	470	6	2%
E Telecare Global Solution	620	7	1%	-		0%
Brycon Construction	422	8	1%	-		0%
Sandoval County	406	9	1%	-		0%
Victoria's Secret Catalogue	400	10	1%	681	5	3%
JC Penney Company	-			-		0%
Don Chalmers Ford	-			170	10	1%
Spartan Technology	-			-		0%
Gateway Computers	-			455	7	2%
U.S. National Guard Hawk Facility	-			300	9	1%
Total Major Employers-Sandoval County *	<u>10,419</u>			<u>12,518</u>		
Total Sandoval County Employment **	<u>55,189</u>			<u>27,116</u>		

Sources: (*) Rio Rancho Chamber of Commerce April 2009

(**) New Mexico Department of Labor, Economic Research and Analysis, 2008

(A) - Information is not available for nine (9) years prior.

(B) -Most current data available is from the 2008 Rio Rancho Economic Development Corporation Annual Survey.

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City of Rio Rancho, New Mexico
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-Time-Equivalent Employees as of June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Administration	13	11	10	11	11	12	3	4	5	6
Human Resources	11	11	11	11	13	13	11	10	10	9
City Clerk	4	4	4	4	4	4	4	4	4	4
City Attorney	6	6	5	5	5	5	5	6	7	7
Municipal Court	11	11	12	12	12	12	12	13	13	13
Finance	19	19	17	18	18	19	30	30	35	29
Public Safety										
Police	101	104	103	101	101	106	118	123	124	127
Firefighters	37	37	43	49	46	50	56	99	100	101
Civilians	52	50	52	58	70	66	72	90	88	86
Public Works										
Engineering	7	7	7	8	8	9	13	21	25	27
Others	50	50	50	50	50	53	65	77	75	74
Parks and Recreation	73	73	73	69	75	75	78	110	132	139
Senior Services	14	14	15	15	15	15	18	17	17	8
Library and Information Services	20	20	19	19	22	25	30	36	36	38
City Development	20	20	21	22	20	20	32	40	42	36
Special Funds	7	8	12	10	8	8	11	14	14	20
Water and Wastewater	10	10	25	25	29	32	36	41	42	38
Total	455	455	479	487	507	524	594	735	769	762

Source: City of Rio Rancho Annual Budget

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

City of Rio Rancho, New Mexico
Operating Indicators by Function/Program
Last Four Fiscal Years

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Police				
Total Violent Crimes (F)	776	927	886	759
Total Property Crimes	1,399	1,775	1,961	1,709
Total Warnings & Citations (G)	24,305	23,840	27,250	18,895
Total Arrests (H)	3,008	3,337	3,620	3,013
Total Traffic Crashes	1,791	2,008	1,856	1,576
Total Incident Reports (A), (I)	3,586	8,881	9,045	7,966
Total Calls for Service	39,165	36,271	49,842	44,651
Fire				
Total Structural Fires	25	29	46	54
Total Fire Inspections	999	901	1,049	736
Total Calls for Service	1,582	1,372	1,693	1,508
EMS				
Total EMS Patients (E)	4,345	5,141		
Total Patient Transports	3,056	3,407	4,129	4,122
Total Calls for Service	4,764	5,243	6,330	7,481
Animal Control				
Total Impounds	2,330	2,417	2,543	2,584
Total Claims	617	754	830	914
Total Adoptions	851	724	988	854
Total Euthanasia	674	732	663	758
Total Complaints	4,755	4,740	5,193	5,821
Code Enforcement				
Total Inspections	8,043	10,010	7,055	6,989
Total Citations	280	260	479	369
Public Works				
Total Utility Cuts (B)	390			
Total Potholes Repaired	971	423	1,385	592
Parks & Recreation C				
Total Program Participation-Youth	20,961	19,632	22,620	9,149
Total Program Participation-Adult	18,638	6,556	6,621	3,969
Total Program Participation-Aquatics	7,050	2,897	2,935	4,321

City of Rio Rancho, New Mexico
 Operating Indicators by Function/Program
 Last Four Fiscal Years

Function/Program	Fiscal Year			
	2006	2007	2008	2009
<u>Library</u>				
Total Collection	146,626	154,258	166,857	174,388
New Items Added	23,233	17,288	23,501	23,800
Items Withdrawn	7,252	9,656	10,902	16,269
Collection Growth	15,981	7,632	12,599	7,531
<u>Circulation Stats: (D)</u>				
Visitors	224,977	216,106	256,734	354,985
Circulation	171,156	296,142	426,653	543,528
Computer Usage	31,711	32,931	61,358	85,938
Program Attendance	5,578	15,597	24,074	26,016
<u>Transit</u>				
Total Clients Registered	28,498	31,009	37,637	40,420
New Clients Registered	184	309	290	274
Total Fare Cards Sold	1,905	1,809	1,999	2,052
Total Trips in Rio Rancho	26,804	25,262	13,633	16,037
Total Trips to Albuquerque	6,212	6,115	2,983	2,310
<u>Purpose of Trips:</u>				
Medical	9,906	7,220	4,538	4,442
Personal Errands	3,307	5,645	2,830	4,936
Work	13,153	9,624	6,067	6,359
City Facilities	2,846	4,252	1,725	1,769
Education	4,004	4,636	1,456	944
Total Miles Traveled	133,672	142,273	127,576	132,971

Sources: Various City Departments

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

(A) The City did not start tracking incident reports for DPS until February 2006.

(B) The City chose to contract out the utility cuts.

(C) The Parks & Recreation Department chose a different method of calculating their program participation in 2007.

(D) Circulation data for the library is restated for fiscal years 2006, 2007 and 2008 as new management chose a different tracking process.

The circulation figure is only for six months in fiscal year 2006. In fiscal year 2007, the library was closed for five weeks.

(E) EMS department chose to stop tracking the number of patients.

(F) Data was not available for the months of May and June 2009.

(G) Data was not available for the months of May and June 2009.

(H) Data was not available for the months of May and June 2009.

(I) Data was not available for the months of May and June 2009.

City of Rio Rancho, New Mexico
Capital Asset Statistics by Function/Program
Last Four Fiscal Years

Schedule 19

Function/Program	Fiscal Year			
	2006	2007	2008	2009
<u>Police</u>				
Main Stations	1	1	1	1
Substations (E)	4	4		
Patrol Units	152	178	181	180
<u>Fire</u>				
Main Stations	2	5	6	5
Substations	4	1	1	1
Firetrucks	11	15	15	15
<u>EMS</u>				
Ambulances	7	8	9	9
<u>Animal Control</u>				
Patrol Units	7	7	7	7
<u>Other Public Works</u>				
Streets (miles)	831	831	837	846
Streetlights	1,156	2,544	2,604	2710
Traffic signals	35	42	45	45
Sidewalks & Paths	121	121	123	134
<u>Parks & Recreation</u>				
New/Renovated Park Facilities	2	3	2	1
Developed Parkland (acres)	242	285	304	311
Constructed Trailways (linear feet) (A)	53,873	57,516	64,380	64380
<u>Transit</u>				
Mini buses	7	7	8	8
<u>Water</u>				
Water mains (miles)	385	388	395	403
Fire hydrants	24,950	25,822	25,866	25,939
New Connections (F)		1,381	1,040	668
Water main breaks (G)		32	39	37
Storage capacity (thousands of gallons) (B)	31	31		
Average daily consumption (thousands of gallons) C		10,409	11,745	11,814
<u>Wastewater</u>				
Sanitary sewers (miles)	335	337	343	351
Average daily treatment capacity (thousands of gallons) (D)	4,176	4,565	4,954	4,863

Sources: Various City Departments

City of Rio Rancho, New Mexico
Capital Asset Statistics by Function/Program
Last Four Fiscal Years

Schedule 19

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

(A) Amended the linear feet of constructed trailways for fiscal year 2006 to correctly state the starting point.

(B) The City chose to no longer track the water storage capacity beginning in fiscal year 2008.

(C) The City chose to begin tracking the average daily water consumption beginning in fiscal year 2007.

(D) Amended the wastewater treatment capacity beginning with fiscal year 2006 to be an average daily treatment capacity in thousands of gallons.

(E) Police and Fire no longer under the same department. Substation numbers for police reported to Finance in error. Restatement of substations for police for fiscal year 2008.

(F) Utility department began tracking new connections. Addition of data for fiscal year 2007 and 2008.

(G) Utility department began tracking water main breaks. Addition of data for fiscal year 2007 and 2008.

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SINGLE AUDIT SECTION

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**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparison for the general fund and the combining and individual funds presented as supplemental information of the City of Rio Rancho (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

MEYNEERS + COMPANY, LLC

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An Independent Member of the BDO Seidman Alliance

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho

Internal Control Over Financial Reporting - continued

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Significant deficiencies are described in the accompanying schedule of findings and questioned costs as items 2009-03, 2009-04, 2009-05, and 2008-03.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2009-03 and 2009-04 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision*, paragraphs 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2.

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho

Compliance and Other Matters - continued

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature, and applicable federal grantors and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayhew + Company, LLC

November 16, 2009

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**REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

Compliance

We have audited the compliance of the City of Rio Rancho (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

MEYNEERS + COMPANY, LLC

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An Independent Member of the BDO Seidman Alliance

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A **control deficiency** in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A **significant deficiency** is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-05 to be a significant deficiency.

A **material weakness** is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature and applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayhew + Company, LLC

November 16, 2009

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grantor or Pass-Through Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Direct Program:			
Assistance to Firefighters Grant	97.044	EMW-2006-FF-04638	741,060
Passed through New Mexico Department of Homeland Security:			
F.E.M.A. Disaster Grants - Public Assistance	97.036	FEMA-1659-DR-NM	710,764
Emergency Management Performance Grants	97.042	2007-EM-E7-0035	48,826
State Fire Training Systems Grants	97.043	2006-GR-T6-0064	94,592
Hazardous Materials Assistance Program	97.021	2009-DOT-City of Rio Rancho	18,049
F.E.M.A. Community Emergency Response Team	97.053	2006-GE-T6-0064-CCP	8,550
F.E.M.A. Community Emergency Response Team	97.053	2007-GE-T7-0023-RRCCP	11,465
Total U.S. Department of Homeland Security			1,633,306
<u>U.S. Department of Justice</u>			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	322023601	2,695
Bulletproof Vest Partnership Program	16.607	322023601	1,265
Edward Byrne Memorial Justice Assistance Grant	16.580	N/A	3,818
Edward Byrne Memorial Justice Assistance Grant	None	N/A	4,490
Edward Byrne Memorial Justice Assistance Grant	None	N/A	4,000
Edward Byrne Memorial Justice Assistance Grant	16.Unknown	SW-NMA-186	1,904
Federal Surplus Property Transfer Program	16.578	N/A	22,028
Gang Resistance Education and Training	16.737	2007-JV-FX-0302	83,922
Grants to Encourage Arrest Policies & Enforcement of Protection Orders	16.590	2006-WE-AX-0065	140,142
Passed through New Mexico Department of Public Safety:			
Crime Victims Assistance	16.575	2009-VA-416	34,400
Edward Byrne Memorial Justice Assistance Grant	16.579	N/A	2,812
Edward Byrne Memorial Justice Assistance Grant	16.579	03-DCSI-NMGTTF	1,897
Total U.S. Department of Justice			303,373
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grant/Entitlement Grants	14.218	B-05-MC-35-004	1,989
Community Development Block Grant/Entitlement Grants	14.218	B-06-MC-35-004	30,960
Community Development Block Grant/Entitlement Grants	14.218	B-07-MC-35-004	171,349
Community Development Block Grant/Entitlement Grants	14.218	B-08-MC-35-004	227,626
Total U.S. Department of Housing and Urban Development			431,924
<u>U.S. Department of Transportation</u>			
Passed through New Mexico Department of Transportation:			
Highway Planning and Construction	20.205	TPZ-6154 (1)	99,629
Highway Planning and Construction	20.205	TPZ-7543 (3)	32,479
Highway Planning and Construction	20.205	TPU-4098(1)	235,000
Highway Planning and Construction	20.205	HPP-4007(1)03	1,879,242
State and Community Highway Safety	20.610	08-PT-06-P03	33,706
State and Community Highway Safety	20.600	09-AL-K8-081	49,972
State and Community Highway Safety	20.600	09-PT-02-P03	98,890
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	08-AL-64-P23	103,833
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	08-HE-64-P13E	84,395
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	08-AL-64-081	32,895
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	09-AL-64-P23	263,461
Safety Belt Performance Grant	20.609	08-PT-DS-081	26,557
Total U.S. Department of Transportation			2,940,059
<u>U.S. Department of Defense</u>			
Passed through U.S. Army Engineer, Albuquerque District:			
Arsenic Treatment	21.Unknown	SPA06-004	5,446,179
Total U.S. Department of Defense			5,446,179
Total expenditures for federal awards			\$ 10,754,841

CITY OF RIO RANCHO, NEW MEXICO
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2009

NOTE 1 – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Rio Rancho, New Mexico and is presented on the modified accrual basis of accounting for governmental funds and on the accrual basis of accounting for proprietary funds. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2009 *Catalog of Federal Domestic Assistance*.

NOTE 3 – NON-CASH ASSISTANCE, LOANS, AND LOAN GUARANTEES

In accordance with OMB Circular A-133, the City had no non-cash assistance, loans, and loan agreements outstanding at year-end.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness (es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X no

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
97.044	Assistance to Firefighters Grant
20.205	Highway Planning and Construction
21.XXX	Department of Army-Arsenic Treatment
14.218	Community Development Block Grant/Entitlement Grants
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated

Dollar threshold used to distinguish between Type A and Type B programs: \$322,645

Auditee qualified as low risk auditee? X yes no

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

2009-01 SUPERVISOR APPROVAL ON TIMESHEETS

STATEMENT OF CONDITION

During internal control test work over payroll files, we identified 5 out of 40 timesheets tested that were signed by the employee and approved by the supervisor before the end of the pay period. In each of these instances, the employee worked days after the timesheet had already been signed and approved.

CRITERIA

According to the City's internal policy, section 504 of the Employee Policy 5.PP Compensation Plan states that "The time records are to be given to the employee's supervisor at the beginning of the first workday following the end of the pay period."

CAUSE

Lack adherence to the City's policies and proper management oversight.

EFFECT

Non-compliance with City's policies.

RECOMMENDATION

We recommend the City enforce their internal policies to ensure compliance by sending electronic memorandums to department heads to remind employees of the City's policies.

AGENCY RESPONSE

The City is converting to electronic timekeeping and will update internal policies and procedures to ensure proper internal controls and adequate oversight of all levels of approval.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

2009-02 PER DIEM REIMBURSEMENTS

STATEMENT OF CONDITION

During per diem test work, 2 out of 26 employees tested were improperly reimbursed for expenses they had not incurred but were paid for by a City credit card. The employees were reimbursed for expenses they did not incur of approximately \$462.

CRITERIA

According to the City's internal travel and reimbursement policy, sections 2-14-4 and 2-14-5 state employees can be reimbursed for either per diem or actual expenses incurred.

CAUSE

Lack of adherence to the Travel Policy and lack of thorough review of reimbursement packet.

EFFECT

Non-compliance with the City's per diem and travel policy and overpayment to employees of approximately \$462.

RECOMMENDATION

We recommend the City ensure there is a thorough review process of all expense reimbursement requests and that all employees are trained properly on the City's Travel policy. This can be accomplished by sending electronic memorandums to department heads to remind employees of the City's policies.

AGENCY RESPONSE

The City recognized the error and obtained reimbursement from the employees. The City will ensure that all employees submitting travel requests are properly trained on the City's Travel policy.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

2009-03 CUSTOMER UTILITY DEPOSITS

STATEMENT OF CONDITION

The City has a customer deposits payable account with a liability balance of approximately \$1.3 million. Each resident of the City is required to pay a deposit of \$100 for utility services. Per City ordinance, once the account has been open for over a year and is in good standing, the customer is entitled to receive their initial deposit back through a credit to their account or a refund check. During test work over this customer deposits payable account, it was noted that the City has not identified deposits older than one year which should be refunded or credited to their customers.

CRITERIA

Per Chapter 51 Section 6, Part D of the City's Municipal Code, deposits are to be refunded to the customer or applied as a credit to the customer's bill after being held for 1 year. The City is to maintain records of each unclaimed deposit for at least 3 years and shall mail a check or letter to the customer at his last known address.

CAUSE

Lack of adherence to City's ordinance and staffing issues in the Utility department.

EFFECT

Non-compliance with the City's ordinance.

RECOMMENDATION

We recommend the City implement a monthly review process of customer deposit accounts that are greater than 1 year old and in good standing so the deposit can be credited or refunded to the customer. To aide the Utility department in this process, the Utility department should provide detailed records and the monthly reconciliations to the finance department to ensure details reconcile to the City's general ledger.

AGENCY RESPONSE

The Utilities Division will implement a monthly review of customer deposits to ensure that those deposits eligible for refund are refunded.

The Financial Services Department will continue to maintain monthly reconciliation of the Customer Deposit account and maintenance of the supporting documentation.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

2009-04 LACK OF RECONCILED UTILITY ACCOUNTS RECEIVABLE

STATEMENT OF CONDITION

During test work over the utility accounts receivable, the City was unable to provide a detail of the accounts, by customer, which reconciled to the general ledger balance of approximately \$3.8million at year end. The schedule provided to the auditors was not generated on June 30, 2009 but was dated July 15, 2009 and had a variance of approximately \$250,000 from the year end balance.

CRITERIA

Section 2.2.2.8 J of the New Mexico State Audit Rules requires good accounting practices be followed, which includes maintaining adequate financial records to support the financial statements.

CAUSE

Lack of adequate record keeping of the detailed utility accounts subsidiary ledger to support the balance on the City's general ledger at year end.

EFFECT

The subsidiary ledger of utility accounts could not be substantiated for the year end.

RECOMMENDATION

We recommend the Utility department provide monthly detailed reports to the finance department to ensure records are retained and reconciled monthly to the general ledger.

AGENCY RESPONSE

The Utilities Division will provide a monthly detailed report to the Financial Services Department.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES

STATEMENT OF CONDITION

During federal revenue and expenditure test work, we noted a lack of an adequate reconciliation process between federal revenue received and federal expenditures incurred during the year. Specifically, the following issues were encountered:

- The revenue according to the client's federal schedule did not agree to the general ledger balance by approximately \$270,000.
- The federal revenues did not agree to federal expenditures which created inaccurate receivable and deferral balances. Adjusting journal entries to correct these balances netted to an increased receivable amount of approximately \$4.8 million and an increased deferral amount of approximately \$63,000.
- There were federal programs that were not included on the client's initial federal schedule. These programs had revenues during the year of approximately \$277,000.

CRITERIA

In accordance with Generally Accepted Accounting Principles the matching principle should be applied to properly match revenues and expenses during the fiscal year. Also, Section 2.2.2.8 J of the New Mexico State Audit Rules requires good accounting practices be followed, which includes maintaining adequate financial records to support the financial statements.

CAUSE

Lack of review process over the federal revenue schedule and lack of adequate internal communication with those who compile the supporting documentation for federal revenues and expenditures and the finance department.

EFFECT

Federal revenues and expenditures could be misstated during the year. In addition, the City could misstate their federal reimbursements and potentially misstate federal reports compiled during the year.

RECOMMENDATION

We recommend the City implement a process where the Federal revenue schedule is reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the correct period. In addition, we encourage stronger communication between the City's grants and finance divisions.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES (Concl'd)

AGENCY RESPONSE

The Financial Services Department will implement policies and procedures to ensure revenues and expenditures are being matched to the general ledger and develop stronger communication between departments to make sure proper reimbursement request for federal funds are accrued at the end of the year.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

PRIOR YEAR FINDINGS-REPEATED

2008-03 DEVELOPER CONTRIBUTIONS – REPEATED AND MODIFIED

STATEMENT OF CONDITION

During test work over capital assets, various instances were noted where incomplete records were retained to support the value assigned to capital contributed by developers. This lack of adequate records for capital contributed by developers resulted in \$14,696,152 prior year restatement to FY09 financial statements.

CRITERIA

Internal controls for capital assets should require developer contributions recorded in the City's system to be properly valued and supported.

CAUSE

The City does not have a clear and comprehensive set of procedures in place that would aid in the identification and accurate recognition and valuation of developer capital contributions.

EFFECT

The City misstated the capital assets reported in the financial statements during FY08, by \$14,696,152.

RECOMMENDATION

We recommend the City improve inter-departmental communication and implement specific written procedures for the recording of developer capital contribution.

AGENCY RESPONSE

The City is in the process of amending the development processing manual to include policy and procedures for developer contributions. (Ref: V2, Chapter 7, Sec. 2.3 "Other Submittals.") Once this is adopted, collaboration between departments will ultimately end with the Financial Services Department for the recording of the asset.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES

ALL FEDERAL AWARDS

STATEMENT OF CONDITION

During federal revenue and expenditure test work, we noted a lack of an adequate reconciliation process between federal revenue received and federal expenditures incurred during the year. Specifically, the following issues were encountered:

- The revenue according to the client's federal schedule did not agree to the general ledger balance by approximately \$270,000.
- The federal revenues did not agree to federal expenditures which created inaccurate receivable and deferral balances. Adjusting journal entries to correct these balances netted to an increased receivable amount of approximately \$4.8 million and an increased deferral amount of approximately \$63,000.
- There were federal programs that were not included on the client's initial federal schedule. These programs had revenues during the year of approximately \$277,000.

CRITERIA

In accordance with Generally Accepted Accounting Principles the matching principle should be applied to properly match revenues and expenses during the fiscal year. Also, Section 2.2.2.8 J of the New Mexico State Audit Rules requires good accounting practices be followed, which includes maintaining adequate financial records to support the financial statements.

CAUSE

Lack of review process over the federal revenue schedule and lack of adequate internal communication with those who compile the supporting documentation for federal revenues and expenditures and the finance department.

EFFECT

Federal revenues and expenditures could be misstated during the year. In addition, the City could misstate their federal reimbursements and potentially misstate federal reports compiled during the year.

RECOMMENDATION

We recommend the City implement a process where the Federal revenue schedule is reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the correct period. In addition, we encourage stronger communication between the City's grants and finance divisions.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2009-05 RECONCILIATION OF FEDERAL REVENUES AND EXPENDITURES (Concl'd)

AGENCY RESPONSE

The Financial Services Department will implement policies and procedures to ensure revenues and expenditures are being matched to the general ledger and develop stronger communication between departments to make sure proper reimbursement request for federal funds are accrued at the end of the year.

**CITY OF RIO RANCHO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009**

STATUS OF FINANCIAL STATEMENT FINDINGS

Finding No. 2008-01
Status: Resolved

Finding No. 2008-02
Status: Resolved

Finding No. 2008-03
Status: Repeated and Modified

Finding No. 2008-04
Status: Resolved

Finding No. SA 2008-01
Status: Resolved

Finding No. SA 2008-02
Status: Resolved

CITY OF RIO RANCHO, NEW MEXICO
EXIT CONFERENCE
JUNE 30, 2009

An exit conference was held at a closed meeting on November 17, 2009, to discuss the preceding findings. Attending were the following persons.

For the City of Rio Rancho:

Thomas E. Swisstack, Mayor
Kathleen Colley, Councilor, District 6
James Jimenez, City Manager
Richard Kristof, Director of Financial Services
Judy Dolley, Deputy Director of Financial Services
Marta J. Ortiz, Accounting Division Manager

For the Independent Auditor:

Georgie Ortiz, CPA, CGFM, Assurance Principal
Raul Anaya, CPA, CGFM, Assurance Manager
Laura Beltran-Schmitz, CPA, CFE, Assurance Senior

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